

<b>AWARD/CONTRACT</b>		1. This Contract Is A Rated Order Under DPAS (15 CFR 350)		Rating DOA6	Page 1 Of 36 Pages
2. Contract (Proc. Inst. Ident.) No. W52P1J-10-C-0025		3. Effective Date 2010MAR24		4. Requisition/Purchase Request/Project No. SEE SCHEDULE	
5. Issued By ROCK ISLAND CONTRACTING CENTER CCRC-AR AMY KNUTSON (309)782-5664 ROCK ISLAND, IL 61299-8000 BLDGS 350 & 390 & 60  e-mail address: AMY.KNUTSON@US.ARMY.MIL		Code W52P1J	6. Administered By (If Other Than Item 5) DCMA AMMUNITION GROUP DCMAG-MSM BLDG 1, ARDEC PICATINNY, NJ 07806-5000  SCD C PAS NONE ADP PT HQ0337		
7. Name And Address Of Contractor (No., Street, City, County, State and Zip Code)  EXPLO SYSTEMS, INC. 1600 JAVA RD MINDEN, LA 71055-7795   TYPE BUSINESS: Other Small Business Performing in U.S.			8. Delivery <input type="checkbox"/> FOB Origin <input checked="" type="checkbox"/> Other (See Below)		
			9. Discount For Prompt Payment		
			10. Submit Invoices (4 Copies Unless Otherwise Specified)		Item 12
Code 1YKY9	Facility Code		To The Address Shown In:		
11. Ship To/Mark For SEE SCHEDULE		Code	12. Payment Will Be Made By DFAS - COLUMBUS CENTER NORTH ENTITLEMENT OPERATIONS P.O. BOX 182266 COLUMBUS, OH 43218-2266  Payment will be made by Electronic Funds Transfer		
13. Authority For Using Other Than Full And Open Competition: <input type="checkbox"/> 10 U.S.C. 2304(c)( ) <input type="checkbox"/> 41 U.S.C. 253(c)( )		14. Accounting And Appropriation Data ACRN: AA 21 02034000001B1B05P421040252H S28017 W52P1J			
15A. Item No. SEE SCHEDULE	15B. Supplies/Services CONTRACT TYPE: Firm-Fixed-Price		15C. Quantity	15D. Unit	15E. Unit Price
			KIND OF CONTRACT: Supply Contracts and Priced Orders		15F. Amount
15G. Total Amount Of Contract →					\$2,902,500.00

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Contracting Officer Will Complete Item 17 Or 18 As Applicable

17. <input checked="" type="checkbox"/> Contractor's Negotiated Agreement (Contractor is required to sign this document and return 2 signed copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)		18. <input type="checkbox"/> Award (Contractor is not required to sign this document.) Your offer on Solicitation Number _____, including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.	
19A. Name And Title Of Signer (Type Or Print)		20A. Name Of Contracting Officer  KIM M. JONES KIM.M.JONES1@US.ARMY.MIL (309)782-0571	
19B. Name of Contractor  By _____ (Signature of person authorized to sign)	19c. Date Signed	20B. United States Of America  By _____ /SIGNED/ (Signature of Contracting Officer)	20C. Date Signed 2010MAR24

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- SECTION A - SUPPLEMENTAL INFORMATION
- THIS AWARD WILL RESULT IN A FIRM-FIXED PRICE CONTRACT FOR THE DEMILITARIZATION OF 450,000 CHARGE, PROPELLING, 155MM, M119A2, DODIC D533, NSN: 1320-01-093-6856 AT A UNIT PRICE OF \$6.45 FOR A TOTAL PRICE OF \$2,902,500.00.
  - THIS AWARD CONTAINS FOUR (4) OPTIONS WITH THE FOLLOWING ORDERING PERIODS:
 

ORDERING PERIOD 1: 1 OCT 2010 - 30 SEP 2011  
 ORDERING PERIOD 2: 1 OCT 2011 - 30 SEP 2012  
 ORDERING PERIOD 3: 1 OCT 2012 - 30 SEP 2013  
 ORDERING PERIOD 4: 1 OCT 2013 - 30 SEP 2014
  - AWARD OF THESE OPTIONS WILL BE AT THE UNIT PRICES SUBMITTED IN EXPLO SYSTEMS, INC.'S PROPOSAL DATED 21 JAN 2010.
  - AMMUNITION WILL BE SHIPPED TO THE CONTRACTOR'S CONUS SITE AT GOVERNMENT EXPENSE WITHIN 90 - 120 DAYS AFTER CONTRACT AWARD. A MONTHLY DELIVERY SCHEDULE WILL BE ESTABLISHED AFTER RECEIPT OF ASSETS AND APPROVAL OF ALL APPLICABLE PLANS.
  - EXPLO SYSTEMS, INC.'S PROPOSAL DATED 21 JAN 2010 IS INCORPORATED BY REFERENCE AT ATTACHMENT 004.
  - ALL TERMS AND CONDITIONS OF SOLICITATION W52P1J-10-R-0005, TO INCLUDE AMENDMENTS 0001, 0002, 0003, 0004, APPLY TO THIS CONTRACT.

\*\*\* END OF NARRATIVE A0001 \*\*\*

For Local Clauses See: <http://www.afsc.army.mil/ac/aais/ioc/clauses/index.htm>

	<u>Regulatory Cite</u>	<u>Title</u>	<u>Date</u>
A-1	52.204-7000 LOCAL	ONLINE REPRESENTATIONS AND CERTIFICATIONS APPLICATION (ORCA)	JUN/2005

Notice to All Contractors: In a final rule contained in the Federal Acquisition Circular 01- 26 (Item I, FAR Case 2002-24) published in the Federal Register on December 20, 2004, the Federal Acquisition Regulation was amended to require offerors to submit representations and certifications electronically via the Business Partner Network. Offerors shall complete an Online Representations and Certifications Application (ORCA) as soon as possible. This solicitation requires online certifications and representations. Failure to complete the ORCA registration may make the offeror ineligible for award. The ORCA can be found at <http://orca.bpn.gov>.

(End of narrative)

(AS7002)

A-2	52.252-4500 LOCAL	FULL TEXT CLAUSES	APR/2006
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(a) This contract incorporates one or more clauses and provisions by reference, with the same force and effect as if they were set forth in full text. Upon request the Contracting Officer will make their full text available.

(b) The entire body of full text regulatory clauses and provisions are no longer included in solicitations or contracts. These clauses and provisions have the same force and effect as if the entire full text was included in the solicitation/contract. Where text has been removed three asterisks are put in its place (\*\*\*).

(c) You can view or obtain a copy of all clauses and provisions on the Internet at: <http://www.afsc.army.mil/ac/aais/ioc/clauses/index.htm>. Click on command unique first to locate the clause. If it is not located under command unique click on regulatory to find.

(d) All full text clauses have a 6 or 7 as the third digit of the clause number (i.e., AS7000).

(End of narrative)

(AS7001)

Name of Offeror or Contractor: EXPLO SYSTEMS, INC.

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
	SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS				
0001	SECURITY CLASS: Unclassified				
0001AA	<div>DEMIL OF PROP CHARGE</div> <div>CLIN CONTRACT TYPE: Firm-Fixed-Price NOUN: COM'L DEMIL PROP CHARGES PRON: HI06D200HI    PRON AMD: 03    ACRN: AA</div> <div>Funds in the amount of \$2,902,500.00 are provided for the demilitarization of 450,000 prop charges at a unit price of \$6.45.</div> <div>(End of narrative B001)</div> <div>Inspection and Acceptance INSPECTION: Origin      ACCEPTANCE: Origin</div> <div>Deliveries or Performance DLVR SCH    </div>				

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SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT  
SECTION C: STATEMENT OF WORK FOR THE DEMILITARIZATION AND DISPOSAL OF SEPARATE LOADING PROPELLING CHARGES

- 1.0 SCOPE:
- 1.1 The contractor(s) shall provide all the necessary material, equipment, property, licenses, and personnel to perform demilitarization by resource recovery and recycling for a variety of propelling charges. Open Burning and/or Open Detonation (OB/OD) are not permitted technologies for any end item(s) or component(s) contained in this SOW.
- 1.2 The scope covers the following type of propelling charge for disposal:
- |      |                  |                                |
|------|------------------|--------------------------------|
| D533 | 1320-01-093-6856 | Chg, Propelling, 155mm, M119A2 |
|------|------------------|--------------------------------|
- 2.0 DEFINITIONS/INTERPRETATIONS:
- For the purpose of this SOW the following definitions/interpretations apply:
- 2.1 Chain of Custody- The activities and procedures taken throughout the inspection, re-inspection and documentation process to maintain positive control of Material Potentially Presenting an Explosive Hazard (MPPEH) to ensure the veracity of the process used to determine the status of material as to its explosive hazard. This includes all such activities from the time of collection through final disposition.
- 2.2 Decontamination - The process of making an item safe for use or handling by unprotected personnel and harmless to all properties and surroundings by destroying, neutralizing, making harmless, or removing energetic/explosives or chemical material clinging to or around it.
- 2.3 Demilitarization (DEMIL) - The act of removing the military offensive or defensive advantages of ammunition and explosives, which may or may not include the disposal of the item. The term encompasses various approved methods such as mutilation, destruction, or alteration to prevent further use for its originally intended military purpose, including the procedures followed by Explosive Ordnance Disposal (EOD) units, civilian munitions destroyers, and properly certified contract personnel. It applies equally to material in unserviceable or serviceable condition.
- 2.4 Disposal - End of life tasks or actions for residual materials resulting from demilitarization or disposition operations.
- 2.5 Disposition - The process of reusing, recycling, converting, redistributing, transferring, donating, selling, demilitarizing, treating, destroying, or fulfilling other life-cycle guidance, for DoD property.
- 2.6 Documentation of the Explosives Safety Status of Material - Documentation attesting that material: (1) does not present an explosive hazard and is consequently safe for unrestricted transfer within or release from DoD control, or (2) is MPPEH, with the known or suspected explosive hazards stated, that is only transferable or releasable to a qualified receiver. This documentation must be signed by a technically qualified individual with direct knowledge of: (1) the results of both the materials 100 percent inspection and 100 percent re-inspection or of the approved process used and the appropriate level of re-inspection, and (2) the veracity of the chain-of-custody for the material. This signature is followed by the signature of another technically qualified individual who inspects the material on a sampling basis (sampling procedures are determined by DoD entity that is inspecting the material).
- 2.6.1 Safe - Documented as not presenting an explosive hazard, and consequently safe for unrestricted transfer or release. (Note: Material that has been documented as safe is no longer considered MPPEH provided the chain of custody remains intact.)
- 2.6.2 Hazardous - Documented as to the explosive hazards the material is known or suspected to present, and consequently transferable or releasable only to a qualified receiver. When the initial inspection allows material to be documented as to the hazard the material is known or suspected to present, a second independent inspection is not required.
- 2.7 Explosive Hazard - A condition where danger exists because explosives are present that may react (e.g., detonate, deflagrate) in a mishap with potential unacceptable effects (e.g., death, injury, damage) to people, property, operational capability, or the environment.
- 2.8 Explosives Safety - A condition where operational capability and readiness, people, property, and the environment are protected from the unacceptable effects or risks of potential mishaps involving military munitions.
- 2.9 Incineration - Combustion of Propellant, Explosive and/or Pyrotechnics (PEP) or explosive ordnance with control of combustion air, containment of the combustion reaction in an enclose device, and control of emission of gaseous and particulate combustion products IAW local, State, and Federal regulations.

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- 2.10 Material Potentially Presenting an Explosive Hazard (MPPEH) - Material potentially containing explosives or munitions (e.g., munitions containers and packaging material; munitions debris remaining after munitions use, demilitarization, or disposal; and range-related debris); or material potentially containing a high enough concentration of explosives such that the material presents an explosive hazard (e.g., equipment, drainage systems, holding tanks, piping, or ventilation ducts that were associated with munitions production, demilitarization or disposal operations). Excluded from MPPEH are munitions within DoDs established munitions management system and other hazardous items that may present explosion hazards (e.g., gasoline cans, compressed gas cylinders) that are not munitions and are not intended for use as munitions.
- 2.11 Mutilation - The act of making unfit for its intended purpose by cutting, tearing, scratching, crushing, breaking, punching, shearing, burning, neutralizing, etc.
- 2.12 Open Burn (OB) An open-air combustion process by which excess, unserviceable, or obsolete munitions are destroyed to eliminate their inherent explosive hazards.
- 2.13 Open Detonation (OD) An open-air process used for the treatment of excess, unserviceable or obsolete munitions whereby an explosive donor charge initiates the munitions being treated.
- 2.14 Qualified Receiver - Entities that have personnel who are, or an individual who is, trained and experienced in the identification and safe handling of used and unused military munitions, and any known or potential explosive hazards that may be associated with the MPPEH they receive; and are licensed and permitted or otherwise qualified to receive, manage, and process MPPEH.
- 2.15 Recycle - The reuse of the item/material for an entirely different purpose than originally designed/intended and normally requiring some form of reprocessing.
- 2.16 Reutilization - The reuse of the material, or any component for its original intended purpose. Reuse will be accepted on a case-by-case basis when it supports United States, Department of Defense approved munitions programs.
- 2.17 Venting - Exposing any internal cavities of MPPEH, to include training or practice munitions (e.g., concrete bombs), using Department of Defense Explosive Safety Board or Department of Defense Component approved procedures, to confirm that an explosive hazard is not present.

3.0 REQUIREMENTS:

- 3.1 The contractor shall establish a program for the receipt, storage, handling and demilitarization and disposal of propelling charges delivered to the contractor by the Government at a contractor site(s) in IAW specific guidance provided in this SOW.
- 3.2 Once demiled, all PEP, explosive materials, and hazardous materials that can be successfully recovered and recycled may be recovered for non-military use by the contractor; otherwise, the material shall be treated in an environmentally safe and approved manner at contractor expense.

4.0 DEMILITARIZATION AND DISPOSAL PLAN:

- 4.1 An ammunition demilitarization and disposal plan shall be prepared by the contractor. The plan shall detail all intended actions/processes to be utilized by the contractor in completing the required demilitarization tasks stated in this SOW.
- 4.1.1 A safety site plan shall be prepared by the contractor. The safety site plan must include operational, storage and receiving structures and sites as stated in DoD 4145.26M.
- 4.2 The plan will be organized in operational sequence, and shall address operational, safety, security, environmental, and inspection requirements particular to each process/operation. The plan shall be include as a minimum:
- 4.2.1 Purpose State the purpose of the plan, which is to identify safe, secure, and environmentally acceptable demilitarization and disposal procedures/processes for the propelling charges as stated in 1.3.
- 4.2.2 Item Identification Incorporate a list of all munitions addressed by the plan to include; Part Number(PN),National Stock Number (NSN), Department of Defense Identification Code (DODIC), and nomenclature. Describe the configuration of the munitions with attached illustrations (Government & contractor) and include munitions characterization documentation.
- 4.2.3 Demilitarization and Disposal Alternatives List alternate methods of demilitarization and disposal for each primary demil process/procedure contained in the plan.
- 4.2.4 Safety Summarize the safety hazards that are unique to the munitions and procedures/processes for the munitions contained in the plan. Include the precautions and procedures that must be employed during the demilitarization and disposal or reuse operations. Provide a timeline for reclaimed or residual material final disposition and any specific hazards associated with retaining/reusing reclaimed material. Explain the approach to comply with the Process Safety management standard in 29 CFR 1910.119. List all hazardous

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materials for the munitions to be processed; PEP, heavy metals, carcinogens, etc. and the quantity of each. Include the safety site plan for operational, storage and receiving structures and sites that demonstrates compliance with applicable DoD Explosives Safety Standards.

4.2.5 Security Detailed security requirements should be contained in a separate security plan for the facility as required by DoD 5100.76M. Summarize the security requirements that are unique to the munitions and procedures/processes for the munitions/components contained in the plan.

4.2.6 Environmental Include an analysis describing the environmental consequences and each demilitarization and disposal procedure/process, for both primary and alternate(s). Identify the hazardous waste streams expected to result from each demil process and discuss treatment, storage, and/or disposal of those waste streams. Indicate what permit or license is required to support demil operations and provide a copy to the PCO upon request.

4.2.7 Reference Documents The Demilitarization and Disposal Plan shall list and identify references and technical data specifically applicable to the plan.

4.3 The initial submission of the plan shall be submitted to the Government not later than forty-five (45) days prior to initiation of operations.

4.4 The Government will review and provide initial comment as to the acceptability of the plan within thirty (30) days of initiation of operations. Subsequent comments to the plan will be provided throughout the review and comment process.

4.5 Final acceptance of the demilitarization plan is contingent upon the contractor demonstrating to the Government representatives designated by the Procuring Contracting Officer (PCO) and the cognizant Defense Contract Management Agency (DCMA) representatives, its ability to completely demilitarize the propelling charge listed in para. 1.3. An on-site process demonstration(s) IAW the demilitarization plan may be conducted.

4.6 After acceptance of the plan, any subsequent changes to the plan by the contractor shall be coordinated with, and concurred by, the PCO.

4.7 NOTE: Army review of the contractors technical proposal, any of its standard operating procedures, or any of its other technical documentation is intended to ensure only that the contractor has the technical ability to perform the contract. Army review is not intended to be a warranty that the contractors plans, operations, etc., have met all required health, safety, and environmental laws and regulations. It remains the contractors responsibility to ensure compliance with all requirements of law and regulation, including, to the extent applicable, OSHA requirements. Additionally, as the Army does not create the actual working conditions, the Army assumes no responsibility for compliance with any such health, safety, and environmental laws and regulations.

**5.0 SAFETY**

5.1 The Contractor shall allow the Government access to the contractors facilities, personnel, and safety program documentation for the purpose of performing a pre-award safety and security site survey pursuant to DFARS 252.223-7002, Safety Precautions for Ammunition and Explosives, May 1994, if deemed necessary by the Government. Additionally, the contractor will notify the Government of any change in the location of performance of this contract in compliance with DFARS 252.223-7003, Change in Place of Performance - Ammunition and Explosives.

5.2 The contractor shall comply with the requirements of DoD 4145.26M, DoD Contractor Safety Manual for Ammunition and Explosives as applicable to the contractor planned process and/or operations. Nothing in the Scope of Work relieves the contractor of the responsibility for compliance with Federal, State, and local laws, ordinances, codes, and regulations, including applicable portions of Occupational Safety and Health Administration (OSHA) requirements.

5.2.1 The contractor shall comply with the requirements of DoD 4145.26M for their safety site plan, and when requested, submit site plans for approval in format provided by the government.

5.3 The Contractor shall provide to the ACO within 30 days of receipt one copy of any report concerning safety or occupational health at the demil location issued by a Governmental agency. The Contractor shall also provide one copy to the ACO of his response to the report.

5.4 Contractors shall provide to the ACO monthly copies of their OSHA logs.

5.5 Special precautions are required when handling pentachlorophenol (PENTA) treated packing materials and pallets. The U.S. Army Environmental Hygiene Agency Technical Guide No.146, Sept. 30, 1991, Subject: "Pentachlorophenol-Treated Materials", may be used as an informational guide. The services of a professional industrial hygiene/occupational medicine specialist is advised.

5.6 Training - The contractor shall use trained and certified employees for this effort, in compliance with DoD 4145.26M and applicable

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local, State, and Federal ordnances, laws and construction codes.

5.7 The contractor shall notify the ACO of any unexpected explosion, fire or other process upset involving DoD personnel or material. Specific formats are contained in DoD 4145.26M.

5.8 When more than one Permissible Exposure Levels(PELs) exists, the contractor shall notify the government when they do not monitor and protect the most restrictive of OSHA, American College of Governmental Industrial Hygienists(ACGIH) or other industry consensus standard.

6.0 DECONTAMINATION

6.1 Explosive/energetic contaminated scrap and metal compon\-ents/material generated from the demilitarization of the propelling charges will be treated/decontaminated utilizing a contractor process that will render them non-explosive, chemically stable, and otherwise harmless to the environment.

6.2 Scrap and metal components/material which may be released to the general public, will meet the requirements of DOD 6055.09-STD, DoD Ammunition and Explosives Safety Standards, Chapter 16. The contractors ammunition demilitarization and disposal plan, as required by paragraph 4.0 of this SOW, will cover decontamination levels and explosives safety status.

6.3 Explosive-contaminated solid waste material, if any, shall be collected, placed in closed containers, properly mark, and expeditiously removed from the areas for treatment and/or disposal.

6.4 The contractor shall develop and maintain a system to maintain accountability of decontaminated material, to allow ready identification of when material was decontaminated, by whom and disposition.

7.0 PROPELLANT REQUIREMENTS

7.1 Propellant recovered from the disassembly operation shall be kept separate by propellant type and lot until stability testing has been completed to determine final disposition. Thereafter, propellant will be retained by type and lot number.

7.2 Each propellant lot shall be tested for stability content except those lots that will be destroyed within thirty calendar days from disassembly.

7.3. High Pressure Liquid Chromatography (HPLC), Near IR (NIR), and/or Thin Layer Chromatography (TLC) testing methods will be used for determining residual effective stabilizer. The contractor shall perform analysis of each propellant lot and determine the total percentage of the stabilizer to include daughter products for diphenylamine stabilized propellants.

7.4. The contractor shall determine, and document, the percentage of each stabilizer in the specific propellant formulation. Stabilizers are specific to propellant formulation and may include but are not limited to Diphenylamine (DPA) , Ethyl Centralite, Akardite II, Methyl Centralite, 2-Nitrosodiphenylamine or combinations thereof. The Propellant Dscription Sheet (PDS) for the lot will identify the specific stabilizer present in the loy. For diphenylamine, the contractor shall determine the total amount of DPA which includes the following compounds:

- 4,4'-Dinitro-diphenylamine
- 4-Nitro-diphenylamine
- N-Nitroso-diphenylamine
- Diphenylamine
- 2,4'-Dinitro-diphenylamine
- 2,2'-Dinitro-diphenylamine
- 2,2-Dinitro-diphenylamine
- 2-Nitro-diphenylamine

Total stabilizer reported for DPA stabilized propellants shall include DPA and all daughter products less N-Nitroso-diphenylamine. NOTE: Both the Near-IR and TLC provide the total stabilizer (less N-Nitroso-diphenylamine) in their data output and will not break-out the daughter products individually. Therefore when using the Near-IR or TLC, only the total result is reported and no further breakout of individual daughter products is required.

7.5 Stability category of the propellant analyzed will be assigned according to SB742-1. Propellant lots tested and assigned "A", or "C", and otherwise suitable can be reused/recycled.

7.6 Propellant tested and assigned category "D", or very small quantities, or otherwise not suitable for reuse/recycling will be disposed of within 60 days in an environmentally safe manner at the contractor's expense.

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7.7. The contractor shall report the results of propellant stability testing IAW DI- NDTI-80809B. The stabilizer analysis results shall be documented by the propellant lot number.

8.0 SECURITY

8.1 Security - The contractor shall comply with all existing and pertinent Federal, State, and local laws, ordinances, codes, and regulations for the safeguarding and handling of sensitive arms and ammunition in performing any task awarded under any resultant contract.

8.2 The contractor shall comply with the security requirements of DoD 5100.76-M for storage and control of sensitive items. All items designated as sensitive and assigned a risk category IAW DoD 5100.76M or any other regulation, retain that status until such time as demilitarization has been accomplished. This also applies to recovered components, if they have an assigned risk category.

9.0 ENVIRONMENTAL

9.1 The contractor shall ensure that all aspects of the program are accomplished in an environmentally safe manner and in compliance with all Federal, State, and local environmental laws, ordinances, codes, and regulations. Vigilance should be exercised to be aware of changes in current Federal, State, and local regulations in order to be in compliance at all times.

9.2 The contractor shall ensure strict adherence to applicable laws and regulations including but not limited to the Clean Air Act and Clean Air Act Amendments, 42 USC sect 7401 et seq, Clean Water Act , 33 USC sect 125 et seq, and Resources Conservation Recovery Act (RCRA) Solid Waste Disposal Act , 42 USC sect 690 et seq).

9.3 The contractor shall ensure that any hazardous waste generated by the demilitarization process is disposed in an environmentally safe manner. The contractor shall submit documentation to the PCO to certify destruction of the waste. The documentation shall be in the contractors format and include, as a minimum, a copy of the manifest and the name, location, the applicable Federal/State identification of the company/organization responsible for disposal of the waste, the disposal date and a Statement certifying disposal. All disposal operations will be performed IAW all applicable Federal, State and local environmental laws and regulations.

9.4 Processes that utilize Class 1 Ozone-Depleting Substances shall not be employed.

10.0 QUALITY ASSURANCE.

10.1 The contractor shall maintain a Quality Assurance Program.

10.2 The Government may, at any time, have tests performed to determine the effectiveness of the contractor's process in accomplishing the stated objectives of removal of explosive contamination from ammunition components and removal of hazardous materials and/or contaminants from packing materials.

10.3 Quality Acceptance: Performance based tasks are identified in attached Performance Requirements Summary. If the contractor does not meet the quality levels set forth in the performance requirement summary attached, the remedies listed in the performance requirement summary shall occur.

11.0 GOVERNMENT FURNISHED MATERIAL

11.1 The Class V materials listed in this solicitation are excess and/or obsolete munitions, therefore complete Technical Data Packages (TDPs) may not be available. The Government has made a reasonable and prudent search of all available technical databases and historical archives to obtain the end item drawings, any major component drawings, and any associated characterization data.

11.2 Available technical data will be included in the solicitation from the Government.

11.3 Government Furnished Material (GFM) - Ammunition shipped to a contractors site will be shipped at Government expense with available historical data, which may include Ammunition Data Cards, DD Form 1650. Due to the age and/or storage background of some of the assets, no historical data may be available. The method of transportation will be the most economical as determined by the Government. The assets will be shipped by the Government as hazardous material. Initial delivery will be within ninety (90) to one hundred twenty (120) days after contract award.

11.4 As stated previously, the Government Furnished Material listed in this solicitation are excess and/or obsolete munitions in the Resource Recovery Disposition Account. These assets range in physical condition from "like new" to unusable for their original intended purpose, (Condition Codes A, B, C, E, F, G, and/or H as detailed in SB742-1). The Government does not guarantee the physical, chemical, dimensional, or performance characteristics of any, or all, assets contained in this solicitation.

11.5 Ammunition will not be shipped to the contractor's site unless they have a site plan approved by the Government safety and technical representative.



<p align="center"><b>CONTINUATION SHEET</b></p>	<p align="center"><b>Reference No. of Document Being Continued</b></p> <p align="center"><b>PIIN/SIIN</b> W52P1J-10-C-0025      <b>MOD/AMD</b></p>	<p align="right"><b>Page</b> 9 <b>of</b> 36</p>
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**Name of Offeror or Contractor:** EXPLO SYSTEMS, INC.

12.0 AMMUNITION RECEIPT/STORAGE/INVENTORY

12.1 Secure Storage Facilities - The contractor shall, upon receipt of individual lots of ammunition, ensure that adequate storage facilities are available to secure all Government property which may be provided to accomplish any task described herein. Storage facilities must meet requirements of DOD 5100.76 for categorized sensitive ammunition. Upon receipt, a check shall be made by the contractor to verify that all items shipped, or delivered, have been received. The contractor shall report inventory discrepancies to the PCO and cognizant DCMA representative in contractor format within 72 hours with a follow up report in writing. The report shall fully address the discrepancy and will be verified by the DCMA representative.

12.2 Record Keeping - The contractor shall maintain adequate records for inspection by Government personnel confirming the date each lot and/or sub lot was demilitarized, the type/quantity of components and material recovered, and the method of disposal or reuse.

12.3 The contractor shall provide adequate, safe, and secure storage of the components and material until such time as they are sold or disposed of through an approved process at contractor expense.

13.0 TRANSFER OF TITLE/END-USE CERTIFICATES/DEMILITARIZATION CERTIFICATES

13.1 The contractor shall take title to all material/components, packing, banding, pallets , and all other packing materials arising out of the demilitarization of the propelling charges.

13.2 Title to the recovered propellant shall pass to the contractor upon completion of all required demil operations as documented in the contractor technical proposal and demilitarization proposal plan.

13.3 A certification Statement attesting to completion of all demil operations by a contract official will be on the Certificate of Destruction (COD). The COD shall identify the ammunition item(s) by item description, the number of rounds and weight of rounds completely demilitarized. The contractor must add certification Statement I certify that (identify items) were demilitarized IAW (cite specific instructions(cite contract reference section) (appendix and item number) that were compiled within the DOD 4160.21-M-1 and other applicable regulations).

13.4 Title to the recovered material/components shall pass to the contractor upon Government inspection and acceptance. At that point, the contractor assumes complete responsibility and liability for the disposition completion of the recovered materials/components. The contractor shall hold the Government harmless from any liability for damages (consequential or otherwise) or injuries resulting from the contractors use or disposition of the components or materials. Multiple line items may be submitted on a single invoice submitted to the Government and via Wide Area Work Flow.

13.5 All metallic components/packaging(excluding mutilated/inert scrap), explosives and propellant offered for resale shall be to licensed/permitted buyers, as applicable, and shall require End Use Certification as a condition of the sale.

13.6 End Use Certification shall consist of a signed Statement from the purchaser as follows: "It is hereby certified that ..... will comply with all applicable Federal, State, and local ordinances, and regulations with respect to the care , handling, storage and shipment, resale, export and other use of the material, hereby purchased, and that he/she as a user of, or dealer in, said materials is capable of complying with all applicable Federal, State, and local laws. This certification is made in accordance with and subject to the penalties of Title 18, Section 1001, of the United States Code, Crimes and Criminal Procedures".

13.7 The contractor shall generate Material Safety Data Sheets (MSDS), as applicable, in accordance with 29 CFR 1910.1200 for the hazardous/energetic material that will be sold to qualified buyers.

13.8 The contractor shall obtain Final Hazard Classification from the Department of Transportation, in accordance with 49 Code of Federal Regulations, for all explosive material/sub-components that will be sold to qualified buyers. Additionally, this requirement flows down to any subcontractor requiring Final Hazard Classifications.

13.9 All metallic scrap and packaging/packing material generated by the demilitarization process(es), and offered for resale, will require inert certification as a condition of sale. Disposal of all material must take place within 12 months after demil is complete. Contractor must inform Government of purchaser. These items may not be sold as or marketed as meeting DOD specifications.

13.10 Certification will consist of a statement by two technically trained and qualified individuals who have each performed an independent 100% inspection to ensure metallic scrap and packaging/packing material generated from demilitarization process(es), and offered for resale, is inert. Certification statement will read: We certify and verify that the Ammunition Explosives or Dangerous Articles(AEDA) residue, Range Residue and/or Explosive Contaminated property listed has been 100% properly inspected by us and to the best of our knowledge and belief, are inert and/or free of explosives or other dangerous materials. Inert Certification requires dual signatures. The first inspectors signature is that of the certifier and the second inspectors signature is the verifier. The verifier must be a U.S. citizen.

14.0 PROGRESS REPORTS

<b>CONTINUATION SHEET</b>	<b>Reference No. of Document Being Continued</b>  <b>PIIN/SIIN</b> W52P1J-10-C-0025 <b>MOD/AMD</b>	<b>Page 10 of 36</b>
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**Name of Offeror or Contractor:** EXPLO SYSTEMS, INC.

PROGRESS REPORTS - A monthly progress report delineating both quantity and short tons will be provided to the Government by the tenth of each month. Reports are to be provided as long as there are tasks being executed under this contract.

14.1 Contractor shall prepare a monthly progress report to include, as a minimum, the following information: identify by both quantity and short ton the ammunition disassembled during the reporting period--include the National Stock Number (NSN), Part Number (PN) and Department of Defense Identification Code (DODIC) . Only the quantity of complete rounds completely demilitarized during the period is to be reported. Partial rounds or rounds awaiting additional processing are not to be reported until meeting the definition of demilitarization.

14.2 Forecast for demilitarization of propelling charges remaining on the contract/order.

14.3 List the disposition of all material/components, packing, banding, pallets, and all other packing materials arising out of the demilitarization of the propelling charges within the 12 month period as required by SOW Para 13.9.

14.4 The monthly report shall contain the percentage of all material/components, packing, banding, pallets, and all other packing materials recycled, reused or recovered.

\*\*\* END OF NARRATIVE C0001 \*\*\*

For Local Clauses See: <http://www.afsc.army.mil/ac/aais/ioc/clauses/index.htm>

	<u>Regulatory Cite</u>	<u>Title</u>	<u>Date</u>
C-1	52.225-4502 (RICC)	STATEMENT OF WORK-ENGLISH LANGUAGE DOCUMENTATION	FEB/1992
All contractor prepared material to be furnished under this contract shall be written in the English language.			

(End of statement of work)

(CS7103)

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SECTION E - INSPECTION AND ACCEPTANCE

For Local Clauses See: <http://www.afsc.army.mil/ac/aais/ioc/clauses/index.htm>

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<http://farsite.hill.af.mil/VFFARA.HTM> or <http://farsite.hill.af.mil/VFDFARA.HTM> or <http://farsite.hill.af.mil/VFAFARA.HTM>

If the clause requires additional or unique information, then that information is provided immediately after the clause title.

	<u>Regulatory Cite</u>	<u>Title</u>	<u>Date</u>
E-1	52.246-4	INSPECTION OF SERVICES--FIXED-PRICE	AUG/1996

<b>CONTINUATION SHEET</b>	<b>Reference No. of Document Being Continued</b>  <b>PIIN/SIIN</b> W52P1J-10-C-0025 <b>MOD/AMD</b>	<b>Page 12 of 36</b>
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- SECTION F - DELIVERIES OR PERFORMANCE
1. ALL ACTIONS REQUIRED TO EFFECT THE MOVEMENT OF AMMUNITION FROM THE PROPOSED PLACES OF PERFORMANCE TO ANY REVISED PLACES OF PERFORMANCE, SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR AND SHALL BE EXECUTED IAW ALL APPLICABLE FEDERAL, STATE, AND LOCAL LAWS AND REGULATIONS. THE CONTRACTOR SHALL COMPLY WITH DOD 5100.76-M IN TRANSIT SECURITY PROVISIONS AND ROUTE MATERIAL WITH A MILITARY TRAFFIC MANAGEMENT COMMAND (MTMC) APPROVED MUNITIONS CARRIER. THE CONTRACTOR MAY PROVIDE ROUTING COORDINATION AND EMPLOY A FREIGHT FORWARDING OPERATION THAT WILL COMPLY WITH THE AFOREMENTIONED DOD TRANSPORTATION REQUIREMENTS.
  2. THE CONTRACTOR SHALL COORDINATE THIS EFFORT WITH THE APPLICABLE DCMA OFFICE TO ENSURE THAT THE MUNITIONS ARE PROPERLY ACCOUNTED FOR AND ADEQUATE RECORDS ARE MAINTAINED.
  3. THE CONTRACTOR SHALL COMPLY WITH ALL APPLICABLE DEPARTMENT OF TRANSPORTATION AND FEDERAL, STATE AND LOCAL ENVIRONMENTAL LAWS AND REGULATIONS ON TRANSPORTING, STORAGE AND TREATMENT OF MILITARY MUNITIONS CLASSIFIED AS WASTE AND/OR MATERIAL.
  4. CONTRACTOR SHALL BE RESPONSIBLE FOR ANY ADDITIONAL TRANSPORTATION, PACKAGING, OR STORAGE CHARGES THAT MAY HAVE RESULTED FROM THIS CHANGE IN PLACE OF PERFORMANCE.
  5. THIS DOES NOT CONSTITUTE GOVERNMENT ACCEPTANCE OF DEMIL PLANS AND/OR REVISIONS RESULTING FROM THE CHANGES IN PLACE OF PERFORMANCE.

\*\*\* END OF NARRATIVE F0001 \*\*\*

For Local Clauses See: <http://www.afsc.army.mil/ac/aais/ioc/clauses/index.htm>

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If the clause requires additional or unique information, then that information is provided immediately after the clause title.

	<u>Regulatory Cite</u>	<u>Title</u>	<u>Date</u>
F-1	52.242-15	STOP-WORK ORDER	AUG/1989
F-2	52.242-17	GOVERNMENT DELAY OF WORK	APR/1984

<b>CONTINUATION SHEET</b>	<b>Reference No. of Document Being Continued</b>  <b>PIIN/SIIN</b> W52P1J-10-C-0025 <b>MOD/AMD</b>	<b>Page 13 of 36</b>
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SECTION G - CONTRACT ADMINISTRATION DATA

LINE	PRON/ AMS CD/ <u>ITEM</u> <u>MIPR</u>	OBLG <u>ACRN</u> <u>STAT</u>	<u>ACCOUNTING CLASSIFICATION</u>	JOB <u>ORDER</u>	<u>ACCOUNTING</u> <u>STATION</u>	<u>OBLIGATED</u> <u>AMOUNT</u>
0001AA	HI06D200HI	AA    2	21   02034000001B1B05P421040252H   S28017	ORM344	W52P1J    \$	2,902,500.00
	A1014039HGHI					
					TOTAL    \$	2,902,500.00

SERVICE <u>NAME</u>	<u>TOTAL BY ACRN</u>	<u>ACCOUNTING CLASSIFICATION</u>	<u>ACCOUNTING</u> <u>STATION</u>	<u>OBLIGATED</u> <u>AMOUNT</u>
Army	AA	21   02034000001B1B05P421040252H   S28017	W52P1J	\$    2,902,500.00
			TOTAL    \$	2,902,500.00

<u>ACRN</u>	<u>EDI ACCOUNTING CLASSIFICATION</u>	
AA	21   101220340000    S28017   01B1B0500000000000252H	ORM344S28017   W52P1J

For Local Clauses See: <http://www.afsc.army.mil/ac/aais/ioc/clauses/index.htm>

<u>Regulatory Cite</u>	<u>Title</u>	<u>Date</u>
G-1	52.232-4501    US ARMY CONTRACTING COMMAND, ROCK ISLAND CONTRACTING CENTER, IMPLEMENTATION OF WIDE AREA WORKFLOW RECEIPT AND ACCEPTANCE (WAWF-RA) FOR ELECTRONIC PROCESSING OF RECEIPT/ACCEPTANCE DOCUMENTS AND PAYMENT	AUG/2008

\~  
1. To implement DFARS Clause 252.232-7003, "ELECTRONIC SUBMISSION OF PAYMENT REQUESTS", the U.S. Army Contracting Command, Rock Island Contracting Center, uses Wide Area Workflow Receipt and acceptance (WAWF-RA) to electronically process contractor requests for payment. This application allows DOD contractors to submit and track invoices and receipt/acceptance documents electronically.

2. The contractor is required to use WAWF-RA when processing invoices and receiving reports under this procurement action. Submission of hard copy DD250/invoices will no longer be accepted for payment except as provided in paragraph 3. of this clause.

3. The Contractor may submit a payment request using other than WAWF-RA only when:

(a) The Contracting Officer authorizes use of another electronic form. With such an authorization, the Contractor and the Contracting Officer shall agree to a plan, which shall include a timeline, specifying when the Contractor will transfer to Wide Area Workflow-Receipt and Acceptance;

(b) DoD is unable to receive a payment request in electronic form; or

(c) The Contracting Officer administering the contract for payment has determined, in writing, that electronic submission would be unduly burdensome to the Contractor. In such cases, the Contractor shall include a copy of the Contracting Officer's determination with each request for payment.

4. INSTRUCTIONS:

(a) INITIAL: The contractor shall register to use WAWF at <https://wawf.eb.mil> . There is no charge to use WAWF. All questions relating to system setup and vendor training can be directed to the help desk at Ogden, UT. Their number is 1-866-618-5988. Web-based training for WAWF is also available at <http://www.wawftraining.com/> .

(b) DESCRIPTION OF WAWF-RA TYPES OF INVOICE/RECEIVING REPORTS:

- 1) Progress Payment (For use under contractually authorized Progress Payments)
- 2) Performance Based Payment (For use under contractually authorized Performance Based Payments)
- 3) "COMBO" Invoice/Receiving Report (For Supply CLINS including ammunition items and ammunition related items)
- 4) "2-in-1" (For Service CLINS only)

<b>CONTINUATION SHEET</b>	<b>Reference No. of Document Being Continued</b>  <b>PIIN/SIIN</b> W52P1J-10-C-0025 <b>MOD/AMD</b>	<b>Page 14 of 36</b>
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**Name of Offeror or Contractor:** EXPLO SYSTEMS, INC.

5) Cost Voucher (For use with Cost Reimbursement contracts, Time and Material or Labor Hour contracts containing FAR Clauses 52.216-7, "Allowable Cost and Payment" or 52.232-7, "Payments under Time-and-Materials and Labor-Hour Contracts")

(c) CODES: THE FOLLOWING CODES ARE REQUIRED TO ROUTE CONTRACTOR INVOICES THROUGH WAWF:

Contractor Cage Code\* \_\_\_\_\_

Pay DoDAAC (Department of Defense Activity Address Code)\*:

Issue DoDAAC: W52P1J

Admin DoDAAC\*:

Inspect by DoDAAC\*:

Contracting Officer\*

Ship to Code\*: (Not Required for Services)

\*Required fields in WAWF. Cage Code, Paying, Issuing, and Administering DoDAACS and the assigned Contracting Officer may be found on the face of the award document. When the contract administration is assigned to DCMA; the contractor should contact the assigned Administrative Contracting Officer to obtain the applicable "inspect by" DoDAAC. If contract administration is retained by the Issuing/Procuring Activity; the contractor should contact the assigned Procuring Contracting Officer to obtain the applicable "inspect by" DoDAAC.

(d) SPECIAL ACCOUNTABILITY REQUIREMENTS FOR AMMUNITION AND AMMUNITION RELATED ITEMS (Energetic and Inert)

When items are ready for shipment, the contractor shall prepare and include with each shipment, a receipt and accountability document describing the contents of the shipment. Its purpose is to ensure proper receipt and accountability is maintained for ammunition and ammunition related items. In accordance with DFARS 252.246-7000, contractor submission of the material inspection and receiving information required by Appendix F of the DFARS by using the Wide Area Work Flow (WAWF) electronic form fulfills the requirement for a material inspection and receiving report (DD Form 250). Two copies of the receiving report (paper copies of either the DD Form 250 or the WAWF report that reflect the exact contents of each conveyance) shall be distributed with each shipment, in accordance with Appendix F, Part 4, F-401, and Table 1 of the DFARS. In addition to including a copy of the receipt and accountability document with each shipment, the contractor shall send an electronic copy to the Contracting Officer within one day of shipment.

If the volume of the shipment precludes the use of a single car, truck, or other vehicle, a separate receipt and accountability document shall be prepared and included in the shipment. If the shipped to, marked for, shipped from, mode of shipment, contract quality assurance and acceptance data are the same for more than one shipment made on the same day under the contract, the contractor may prepare one document to cover all shipments; however, each document shall be annotated to reflect the partial of any item on a single vehicle, such as partial 1 of 3, 2 of 3, and 3 of 3 and the document accompanying each shipment shall identify the unique contents of each vehicle, i.e., lot, quantity per lot, etc. For proper receipt and accountability, the WAWF electronic document shall contain, at a minimum, the following information for each shipment:

The "Header Tab" of WAWF must identify the Prime contractor's name and CAGE Code.

Besides the financial requirements of "Unit Price", "Unit of Measure", "Qty. Shipped", the extended dollar "Amount", and the ACRN, the "Line Item" tab of WAWF must identify:

Contract Number  
Delivery Order number (if applicable)  
Shipment Number  
Invoice Number  
Item Number (CLIN Number from contract)  
Stock Number (NSN)

In the "Description" field of the WAWF document, the MILSTRIP requisition document number and the ammunition Lot and serial number (if applicable) must be annotated for the quantities shipped related to this particular invoice.

NOTE: If there are multiple Lot numbers or multiple MILSTRIP requisition document numbers, each Lot number and MILSTRIP requisition number must be identified separately.

(End of clause)

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SECTION H - SPECIAL CONTRACT REQUIREMENTS

For Local Clauses See: <http://www.afsc.army.mil/ac/aais/ioc/clauses/index.htm>

	<u>Regulatory Cite</u>	<u>Title</u>	<u>Date</u>
H-1	52.245-4506 LOCAL	GOVERNMENT FURNISHED PROPERTY  Schedule of Government Furnished Property	OCT/1994
<p>(a) Pursuant to the Government Property clause in Section I of this contract, the Government shall furnish F.O.B. contractor's place of performance, the Government-owned property listed in attachment number -1- of this document for use in the performance of this contract.</p> <p>(b) The property shall be delivered in accordance with the schedule set forth in attachment number 002 of this document.</p> <p>(c) If the property is not received in accordance with the schedule set forth in attachment number 002 of this document, the Contractor shall immediately notify the Contracting Officer in writing.</p> <p>(d) The quantity of Government Furnished Material (GFM) which is offered herein is contingent upon award of the total quantity solicited herein. Should the actual quantity awarded be less than the total quantity solicited, the Government retains the right to unilaterally reduce the quantity of GFM which will be provided under any resultant contract. Any said reduction shall be on a pro-rata basis.</p> <p>(End of clause)</p>			
(HS6075)			

H-2	52.223-4556 LOCAL	DISPOSAL OF REMAINING GFM AMMUNITION AND EXPLOSIVES FOLLOWING CONTRACT COMPLETION OR TERMINATION	JUN/1999
<p>The following requirements apply to Government-Furnished Material (GFM) Ammunition and Explosives (A&amp;E). All A&amp;E are potentially hazardous and tend toward less stability with the passage of time. In particular, A&amp;E containing nitrocellulose-based components (such as propellants) or nitrate ester-based components (such as nitroglycerine) loses stability with time.</p> <p>(a) Within 30 days of completion or termination of the contract, the contractor shall request disposition instructions from the contracting officer for any residual GFM A&amp;E, regardless of condition. The condition of all such GFM A&amp;E, identified by contract number, and NSN or part number, will be indicated in the request. The contracting officer shall provide disposition instructions to the contractor within 90 days of the request.</p> <p>(b) If the contractor has the capability to dispose of these materials at its facility and is instructed to dispose of the materials through disposition instructions, the contractor shall provide notification to the contracting officer of the destruction of the materials. The notification shall include the contract number, NSN or part number, lot number, nomenclature, and quantity or weight of materials destroyed, and the date of destruction.</p> <p>(c) The contractor shall manage (to include the treatment, storage and disposal of) all GFM A&amp;E in accordance with all applicable state and federal regulations.</p> <p>(End of clause)</p>			
(HS7500)			

H-3	52.242-4591	CONTRACTOR PERFORMANCE INFORMATION	DEC/2005
<p>The successful offeror/bidder under this solicitation is advised that after contract award its performance under this contract will be subject to an assessment(s) in accordance with FAR 42.15 and AFARS 5142.1503-90. The Department of Defense (DoD) Contractors Performance Assessment Reporting System (CPARS) will be used to maintain the performance report(s) generated on this contract. The rating system to be used in this assessment shall be as follows:</p> <p>Exceptional (Dark Blue) Performance meets contractual requirements and exceeds many to the Governments benefit. The contractual performance of the element or sub element being assessed was accomplished with few minor problems for which corrective actions taken by the contractor were highly effective.</p>			

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**Name of Offeror or Contractor:** EXPLO SYSTEMS, INC.

Very Good (Purple) Performance meets contractual requirements and exceeds some to the Governments benefit. The contractual performance of the element or sub element being assessed was accomplished with some minor problems for which corrective actions taken by the contractor were effective.

Satisfactory (Green) Performance meets contractual requirements. The contractual performance of the element or sub element contains some minor problems for which corrective actions taken by the contractor appear or were satisfactory.

Marginal (Yellow) Performance does not meet some contractual requirements. The contractual performance of the element or sub element being assessed reflects a serious problem for which the contractor has not yet identified corrective actions. The contractors proposed actions appear only marginally effective or were not fully implemented.

Unsatisfactory (Red) Performance does not meet most contractual requirements and recovery is not likely in a timely manner. The contractual performance of the element or sub element contains serious problem(s) for which the contractors corrective actions appear or were ineffective.

The evaluation procedures to be used in this assessment, which include coordination with the contractor, are detailed in AFARS 5142.1503-90.

(End of clause)

(HS7015)

H-4      52.247-4545      PLACE OF CONTRACT SHIPPING POINT, RAIL INFORMATION      MAY/1993  
(RICC)

The bidder/offeror is to fill in the Shipped From address, if different from Place of Performance indicated elsewhere in this section.

Shipped From:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

For contracts involving F.O.B. Origin shipments furnish the following rail information:

Does Shipping Point have a private railroad siding?    YES    NO

If YES, give name of rail carrier serving it: \_\_\_\_\_

If NO, give name and address of nearest rail freight station and carrier serving it:

Rail Freight Station Name and Address: \_\_\_\_\_

Serving Carrier: \_\_\_\_\_

(End of clause)

(HS7600)



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SECTION I - CONTRACT CLAUSES

For Local Clauses See: <http://www.afsc.army.mil/ac/aais/ioc/clauses/index.htm>

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If the clause requires additional or unique information, then that information is provided immediately after the clause title.

	<u>Regulatory Cite</u>	<u>Title</u>	<u>Date</u>
I-1	52.202-1	DEFINITIONS	JUL/2004
I-2	52.203-3	GRATUITIES	APR/1984
I-3	52.203-5	COVENANT AGAINST CONTINGENT FEES	APR/1984
I-4	52.203-6	RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT	SEP/2006
I-5	52.203-7	ANTI-KICKBACK PROCEDURES	JUL/1995
I-6	52.203-8	CANCELLATION, RECISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY	JAN/1997
I-7	52.203-10	PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY	JAN/1997
I-8	52.203-12	LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS	SEP/2007
I-9	52.203-13	CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT	DEC/2008
I-10	52.204-4	PRINTED OR COPIED DOUBLE-SIDED ON RECYCLED PAPER	AUG/2000
I-11	52.204-7	CENTRAL CONTRACTOR REGISTRATION	APR/2008
I-12	52.209-6	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT	SEP/2006
I-13	52.211-15	DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS	APR/2008
I-14	52.215-2	AUDIT AND RECORDS--NEGOTIATIONS	MAR/2009
I-15	52.215-8	ORDER OF PRECEDENCE--UNIFORM CONTRACT FORMAT	OCT/1997
I-16	52.215-14	INTEGRITY OF UNIT PRICES	OCT/1997
I-17	52.215-15	PENSION ADJUSTMENTS AND ASSET REVERSIONS	OCT/2004
I-18	52.215-18	REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS	JUL/2005
I-19	52.219-6	NOTICE OF TOTAL SMALL BUSINESS SET-ASIDE	JUN/2003
I-20	52.219-8	UTILIZATION OF SMALL BUSINESS CONCERNS	MAY/2004
I-21	52.219-14	LIMITATIONS ON SUBCONTRACTING	DEC/1996
I-22	52.222-3	CONVICT LABOR	JUN/2003
I-23	52.222-20	WALSH-HEALEY PUBLIC CONTRACTS ACT	DEC/1996
I-24	52.222-21	PROHIBITION OF SEGREGATED FACILITIES	FEB/1999
I-25	52.222-26	EQUAL OPPORTUNITY	MAR/2007
I-26	52.222-35	EQUAL OPPORTUNITY FOR SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS	SEP/2006
I-27	52.222-36	AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES	JUN/1998
I-28	52.222-37	EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS	SEP/2006
I-29	52.222-50	COMBATING TRAFFICKING IN PERSONS	FEB/2009
I-30	52.222-54	EMPLOYMENT ELIGIBILITY VERIFICATION	JAN/2009
I-31	52.223-14	TOXIC CHEMICAL RELEASE REPORTING	AUG/2003
I-32	52.225-13	RESTRICTIONS ON CERTAIN FOREIGN PURCHASES	JUN/2008
I-33	52.227-1	AUTHORIZATION AND CONSENT	DEC/2007
I-34	52.227-2	NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT	DEC/2007
I-35	52.229-3	FEDERAL, STATE, AND LOCAL TAXES	APR/2003
I-36	52.232-1	PAYMENTS	APR/1984
I-37	52.232-8	DISCOUNTS FOR PROMPT PAYMENT	FEB/2002
I-38	52.232-11	EXTRAS	APR/1984
I-39	52.232-17	INTEREST	OCT/2008
I-40	52.232-18	AVAILABILITY OF FUNDS	APR/1984
I-41	52.232-23	ASSIGNMENT OF CLAIMS (JAN 1986) -- ALTERNATE I (APR 1984)	APR/1984
I-42	52.232-25	PROMPT PAYMENT	OCT/2008
I-43	52.232-33	PAYMENT BY ELECTRONIC FUNDS TRANSFER--CENTRAL CONTRACTOR REGISTRATION	OCT/2003
I-44	52.233-1	DISPUTES	JUL/2002

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	Regulatory Cite	Title	Date
I-45	52.233-3	PROTEST AFTER AWARD	AUG/1996
I-46	52.233-4	APPLICABLE LAW FOR BREACH OF CONTRACT CLAIM	OCT/2004
I-47	52.236-7	PERMITS AND RESPONSIBILITIES	NOV/1991
I-48	52.242-13	BANKRUPTCY	JUL/1995
I-49	52.243-1	CHANGES--FIXED PRICE (AUG 1987) -- ALTERNATE I (APR 1984)	APR/1984
I-50	52.244-6	SUBCONTRACTS FOR COMMERCIAL ITEMS	AUG/2009
I-51	52.245-9	USE AND CHARGES	JUN/2007
I-52	52.247-63	PREFERENCE FOR U.S.-FLAG AIR CARRIERS	JUN/2003
I-53	52.249-2	TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED-PRICE)	MAY/2004
I-54	52.249-8	DEFAULT (FIXED-PRICE SUPPLY AND SERVICE)	APR/1984
I-55	52.253-1	COMPUTER GENERATED FORMS	JAN/1991
I-56	252.201-7000	CONTRACTING OFFICER'S REPRESENTATIVE	DEC/1991
I-57	252.203-7000	REQUIREMENTS RELATING TO COMPENSATION OF FORMER DOD OFFICIALS	JAN/2009
I-58	252.203-7001	PROHIBITION ON PERSONS CONVICTED OF FRAUD OR OTHER DEFENSE-CONTRACT-RELATED FELONIES	DEC/2008
I-59	252.203-7002	REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS	JAN/2009
I-60	252.204-7000	DISCLOSURE OF INFORMATION	DEC/1991
I-61	252.204-7003	CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT	APR/1992
I-62	252.205-7000	PROVISION OF INFORMATION TO COOPERATIVE AGREEMENT HOLDERS	DEC/1991
I-63	252.209-7004	SUBCONTRACTING WITH FIRMS THAT ARE OWNED OR CONTROLLED BY THE GOVERNMENT OF A TERRORIST COUNTRY	DEC/2006
I-64	252.223-7002	SAFETY PRECAUTIONS FOR AMMUNITION AND EXPLOSIVES	MAY/1994
I-65	252.223-7003	CHANGE IN PLACE OF PERFORMANCE--AMMUNITION AND EXPLOSIVES	DEC/1991
I-66	252.223-7004	DRUG-FREE WORK FORCE	SEP/1988
I-67	252.223-7006	PROHIBITION ON STORAGE AND DISPOSAL OF TOXIC AND HAZARDOUS MATERIALS (APR 1993) -- ALTERNATE I (NOV 1995)	NOV/1995
I-68	252.225-7006	QUARTERLY REPORTING OF ACTUAL CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES	MAY/2007
I-69	252.225-7012	PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES	DEC/2008
I-70	252.226-7001	UTILIZATION OF INDIAN ORGANIZATIONS, INDIAN-OWNED ECONOMIC ENTERPRISES, AND NATIVE HAWAIIAN SMALL BUSINESS CONCERNS	SEP/2004
I-71	252.227-7016	RIGHTS IN BID OR PROPOSAL INFORMATION	JUN/1995
I-72	252.227-7025	LIMITATIONS ON THE USE OR DISCLOSURE OF GOVERNMENT-FURNISHED INFORMATION MARKED WITH RESTRICTIVE LEGENDS	JUN/1995
I-73	252.231-7000	SUPPLEMENTAL COST PRINCIPLES	DEC/1991
I-74	252.232-7003	ELECTRONIC SUBMISSION OF PAYMENT REQUESTS AND RECEIVING REPORTS	MAR/2008
I-75	252.232-7004	DOD PROGRESS PAYMENT RATES	OCT/2001
I-76	252.232-7010	LEVIES ON CONTRACT PAYMENTS	DEC/2006
I-77	252.243-7001	PRICING OF CONTRACT MODIFICATIONS	DEC/1991
I-78	252.243-7002	REQUESTS FOR EQUITABLE ADJUSTMENT	MAR/1998
I-79	252.247-7023	TRANSPORTATION OF SUPPLIES BY SEA	MAY/2002
I-80	252.247-7024	NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA	MAR/2000
I-81	52.217-7	OPTION FOR INCREASED QUANTITY--SEPARATELY PRICED LINE ITEM	MAR/1989

The Government may require the delivery of the numbered line item, identified in the Schedule as an option item, in the quantity and at the price stated in the Schedule. The Contracting Officer may exercise the option by written notice to the Contractor preceding 30 September 2014. Delivery of added items shall continue at the same rate that like items are called for under the contract, unless the parties otherwise agree.

(End of Clause)

I-82	52.232-16	PROGRESS PAYMENTS	JUL/2009
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The Government will make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly in amounts of \$2,500 or more approved by the Contracting Officer, under the following conditions:

(a) Computation of amounts.

(1) Unless the Contractor requests a smaller amount, the Government will compute each progress payment as 80 percent of the Contractor's total costs incurred under this contract whether or not actually paid, plus financing payments to subcontractors (see

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paragraph (j) of this clause), less the sum of all previous progress payments made by the Government under this contract. The Contracting Officer will consider cost of money that would be allowable under FAR 31.205-10 as an incurred cost for progress payment purposes.

(2) The amount of financing and other payments for supplies and services purchased directly for the contract are limited to the amounts that have been paid by cash, check, or other forms of payment, or that are determined due will be paid to subcontractors--

(i) In accordance with the terms and conditions of a subcontract of invoice; and

(ii) Ordinarily within 30 days of the submission of the Contractors payment request to the Government.

(3) The Government will exclude accrued costs of Contractor contributions under employee pension plans until actually paid unless--

(i) The Contractors practice is to make contributions to the retirement fund quarterly or more frequently; and

(ii) The contribution does not remain unpaid 30 days after the end of the applicable quarter or shorter payment period (any contribution remaining unpaid shall be excluded from the Contractors total costs for progress payments until paid).

(4) The Contractor shall not include the following in total costs for progress payment purposes in paragraph (a)(1) of this clause:

(i) Costs that are not reasonable, allocable to this contract, and consistent with sound and generally accepted accounting principles and practices.

(ii) Costs incurred by subcontractors or suppliers.

(iii) Costs ordinarily capitalized and subject to depreciation or amortization except for the properly depreciated or amortized portion of such costs.

(iv) Payments made or amounts payable to the subcontractors or suppliers, except for--

(A) completed work, including partial deliveries, to which the Contractor has acquired title; and

(B) Work under cost-reimbursement or time-and-material subcontracts to which the Contractor has acquired title.

(5) The amount of unliquidated progress payments may exceed neither (i) the progress payments made against incomplete work (including allowable unliquidated progress payments to subcontractors) nor (ii) the value, for progress payment purposes, of the incomplete work. Incomplete work shall be considered to be the supplies and services required by this contract, for which delivery and invoicing by the Contractor and acceptance by the Government are incomplete.

(6) The total amount of progress payments shall not exceed 80 percent of the total contract price.

(7) If a progress payment or the unliquidated progress payments exceed the amounts permitted by subparagraphs (a)(4) or (a)(5) above, the Contractor shall repay the amount of such excess to the Government on demand.

(8) Notwithstanding any other terms of the contract, the Contractor agrees not to request progress payments in dollar amounts of less than \$2,500. The Contracting Officer may make exceptions.

(9) The costs applicable to items delivered, invoiced, and accepted shall not include costs in excess of the contract price of the items.

(b) Liquidation. Except as provided in the Termination for Convenience of the Government clause, all progress payments shall be liquidated by deducting from any payment under this contract, other than advance or progress payments, the unliquidated progress payments, or 80 percent of the amount invoiced, whichever is less. The Contractor shall repay to the Government any amounts required by a retroactive price reduction, after computing liquidations and payments on past invoices at the reduced prices and adjusting the unliquidated progress payments accordingly. The Government reserves the right to unilaterally change from the ordinary liquidation rate to an alternate rate when deemed appropriate for proper contract financing.

(c) Reduction or suspension. The Contracting Officer may reduce or suspend progress payments, increase the rate of liquidation, or take a combination of these actions, after finding on substantial evidence any of the following conditions:

(1) The Contractor failed to comply with any material requirement of this contract (which includes paragraphs (f) and (g) below).

(2) Performance of this contract is endangered by the Contractors --

(i) Failure to make progress; or

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- (ii) Unsatisfactory financial condition.
- (3) Inventory allocated to this contract substantially exceeds reasonable requirements.
- (4) The Contractor is delinquent in payment of the costs of performing this contract in the ordinary course of business.
- (5) The fair value of the undelivered work is less than the amount of unliquidated progress payments for that work.
- (6) The Contractor is realizing less profit than that reflected in the establishment of any alternate liquidation rate in paragraph (b) above, and that rate is less than the progress payment rate stated in subparagraph (a)(1) above.
- (d) Title.
  - (1) Title to the property described in this paragraph (d) shall vest in the Government. Vestiture shall be immediately upon the date of this contract, for property acquired or produced before that date. Otherwise, vestiture shall occur when the property is or should have been allocable or properly chargeable to this contract.
  - (2) Property, as used in this clause, includes all of the below-described items acquired or produced by the Contractor that are or should be allocable or properly chargeable to this contract under sound and generally accepted accounting principles and practices.
    - (i) Parts, materials, inventories, and work in process;
    - (ii) Special tooling and special test equipment to which the Government is to acquire title under any other clause of this contract;
    - (iii) Nondurable (i.e., noncapital) tools, jigs, dies, fixtures, molds, patterns, taps, gauges, test equipment, and other similar manufacturing aids, title to which would not be obtained as special tooling under subparagraph (ii) above; and
    - (iv) Drawings and technical data, to the extent the Contractor or subcontractors are required to deliver them to the Government by other clauses of this contract.
  - (3) Although title to property is in the Government under this clause, other applicable clauses of this contract; e.g., the termination or special tooling clauses, shall determine the handling and disposition of the property.
  - (4) The Contractor may sell any scrap resulting from production under this contract without requesting the Contracting Officers approval, but the proceeds shall be credited against the costs of performance.
  - (5) To acquire for its own use or dispose of property to which title is vested in the Government under this clause, the Contractor must obtain the Contracting Officers advance approval of the action and the terms. The Contractor shall
    - (i) exclude the allocable costs of the property from the costs of contract performance, and
    - (ii) repay to the Government any amount of unliquidated progress payments allocable to the property. Repayment may be by cash or credit memorandum.
  - (6) When the Contractor completes all of the obligations under this contract, including liquidation of all progress payments, title shall vest in the Contractor for all property (or the proceeds thereof) not --
    - (i) Delivered to, and accepted by, the Government under this contract; or
    - (ii) Incorporated in supplies delivered to, and accepted by, the Government under this contract and to which title is vested in the Government under this clause.
  - (7) The terms of this contract concerning liability for Government-furnished property shall not apply to property to which the Government acquired title solely under this clause.
- (e) Risk of loss. Before delivery to and acceptance by the Government, the Contractor shall bear the risk of loss for property, the title to which vests in the Government under this clause, except to the extent the Government expressly assumes the risk. The Contractor shall repay the Government an amount equal to the unliquidated progress payments that are based on costs allocable to property that is damaged, lost, stolen, or destroyed.
- (f) Control of costs and property. The Contractor shall maintain an accounting system and controls adequate for the proper administration of this clause.
- (g) Reports, forms, and access to records.

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(1) The Contractor shall promptly furnish reports, certificates, financial statements, and other pertinent information (including estimates to complete) reasonably requested by the Contracting Officer for the administration of this clause. Also, the Contractor shall give the Government reasonable opportunity to examine and verify the Contractor's books, records, and accounts.

(2) The Contractor shall furnish estimates to complete that have been developed or updated within six months of the date of the progress payment request. The estimates to complete shall represent the Contractor's best estimate of total costs to complete all remaining contract work required under the contract. The estimates shall include sufficient detail to permit Government verification.

(3) Each Contractor request for progress payment shall:

(i) Be submitted on Standard Form 1443, Contractor's Request for Progress Payment, or the electronic equivalent as required by agency regulations, in accordance with the form instructions and the contract terms; and

(ii) Include any additional supporting documentation requested by the Contracting Officer.

(h) Special terms regarding default. If this contract is terminated under the Default clause,

(i) the Contractor shall, on demand, repay to the Government the amount of unliquidated progress payments and

(ii) title shall vest in the Contractor, on full liquidation of progress payments, for all property for which the Government elects not to require delivery under the Default clause. The Government shall be liable for no payment except as provided by the Default clause.

(i) Reservations of rights.

(1) No payment or vesting of title under this clause shall --

(i) Excuse the Contractor from performance of obligations under this contract; or

(ii) Constitute a waiver of any of the rights or remedies of the parties under the contract.

(2) The Governments rights and remedies under this clause --

(i) Shall not be exclusive but rather shall be in addition to any other rights and remedies provided by law or this contract; and

(ii) Shall not be affected by delayed, partial, or omitted exercise of any right, remedy, power, or privilege, nor shall such exercise or any single exercise preclude or impair any further exercise under this clause or the exercise of any other right, power, or privilege of the Government.

(j) Financing payments to subcontractors. The financing payments to subcontractors mentioned in paragraphs (a)(1) and (a)(2) of this clause shall be all financing payments to subcontractors or divisions, if the following conditions are met:

(1) The amounts included are limited to --

(i) The unliquidated remainder of financing payments made; plus

(ii) Any unpaid subcontractor requests for financing payments.

(2) The subcontract or interdivisional order is expected to involve a minimum of approximately 6 months between the beginning of work and the first delivery, or, if the subcontractor is a small business concern, 4 months.

(3) If the financing payments are in the form or progress payments, the terms of the subcontract or interdivisional order concerning progress payments --

(i) Are substantially similar to the terms of the clause for any subcontractor that is a large business concern, or that clause with its Alternate I for any subcontractor that is a small business concern;

(ii) Are at least as favorable to the Government as the terms of this clause;

(iii) Are not more favorable to the subcontractor or division than the terms of this clause are to the Contractor;

(iv) Are in conformance with the requirements of FAR 32.504(e); and

(v) Subordinate all subcontractor rights concerning property to which the Government has title under the subcontract to the Governments right to require delivery of the property to the Government if --

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- (A) The Contractor defaults; or
- (B) The subcontractor becomes bankrupt or insolvent.

(4) If the financing payments are in the form of performance-based payments, the terms of the subcontract or interdivisional order concerning payments--

(i) Are substantially similar to the Performance-Based Payments clause at FAR 52.232-32 and meet the criteria for, and definition of, performance-based payments in FAR Part 32;

(ii) Are in conformance with the requirements of FAR 32.504(f); and

(iii) Subordinate all subcontractor rights concerning property to which the Government has title under the subcontract to the Governments right to require delivery of the property to the Government if--

- (A) The Contractor defaults; or
- (B) The subcontractor becomes bankrupt or insolvent.

(5) If the financing payments are in the form of commercial item financing payments, the terms of the subcontract or interdivisional order concerning payments

(i) Are constructed in accordance with FAR 32.206(c) and included in a subcontract for a commercial item purchase that meets the definition and standards for acquisition of commercial items in FAR Part 2 and 12;

(ii) Are in conformance with the requirements of FAR 32.504(g); and

(iii) Subordinate all subcontractor rights concerning property to which the Government has title under the subcontract to the Governments right to require delivery of the property to the Government if--

- (A) The Contractor defaults; or
- (B) The subcontractor becomes bankrupt or insolvent.

(6) If financing is in the form of progress payments, the progress payment rate in the subcontract is the customary rate used by the contracting agency, depending on whether the subcontractor is or is not a small business concern.

(7) Concerning any proceeds received by the Government for property to which title has vested in the Government under the subcontract terms, the parties agree that the proceeds shall be applied to reducing any unliquidated financing payments by the Government to the Contractor under this contract.

(8) If no unliquidated financing payments to the Contractor remain, but there are unliquidated financing payments that the Contractor has made to any subcontractor, the Contractor shall be subrogated to all the rights the Government obtained through the terms required by this clause to be in any subcontract, as if all such rights had been assigned and transferred to the Contractor.

(9) To facilitate small business participation in subcontracting under this contract, the Contractor shall provide financing payments to small business concerns, in conformity with the standards for customary contract financing payments stated in Subpart 32.113. The Contractor shall not consider the need for such financing payments as a handicap or adverse factor in the award of subcontracts.

(k) Limitations on undefinitized contract actions. Notwithstanding any other progress payment provisions in this contract, progress payments may not exceed 80 percent of costs incurred on work accomplished under undefinitized contract actions. A contract action is any action resulting in a contract, as defined in Subpart 2.1, including contract modifications for additional supplies or services, but not including contract modifications that are within the scope and under the terms of the contract, such as contract modifications issued pursuant to the Changes clause, or funding and other administrative changes. This limitation shall apply to the costs incurred, as computed in accordance with paragraph (a) of this clause, and shall remain in effect until the contract action is definitized. Costs incurred which are subject to this limitation shall be segregated on Contractor progress payment requests and invoices from those costs eligible for higher progress payment rates. For purposes of progress payment liquidation, as described in paragraph (b) of this clause, progress payments for undefinitized contract actions shall be liquidated at 80 percent of the amount invoiced for work performed under the undefinitized contract action as long as the contract action remains undefinitized. The amount of unliquidated progress payments for undefinitized contract actions shall not exceed 80 percent of the maximum liability of the Government under the undefinitized contract action or such lower limit specified elsewhere in the contract. Separate limits may be specified for separate actions.

(l) Due date. The designated payment office will make progress payments on the 30th day after the designated billing office receives a proper progress payment request. In the event that the Government requires an audit or other review of a specific progress payment request to ensure compliance with the terms and conditions of the contract, the designated payment office is not compelled to make a

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payment by the specified due date. Progress payments are considered contract financing and are not subject to the interest penalty provisions of the Prompt Payment Act.

(m) Progress payments under indefinitedelivery contracts. The Contractor shall account for and submit progress payment requests under individual orders as if the order constituted a separate contract, unless otherwise specified in this contract.

(End of Clause)

I-83      252.223-7007      SAFEGUARDING SENSITIVE CONVENTIONAL ARMS, AMMUNITION, AND EXPLOSIVES      SEP/1999

(a) Definition. Arms, ammunition, and explosives (AA&E), as used in this clause, means those items within the scope (chapter 1, paragraph B) of DoD 5100.76-M, Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives.

(b) The requirements of DoD 5100.76-M apply to the following items of AA&E being developed, produced, manufactured, or purchased for the Government, or provided to the Contractor as Government-furnished property under this contract:

NOMENCLATURE	NATIONAL STOCK NUMBER	SENSITIVITY/CATEGORY
Chg, Propelling, 155mm, M119A2	1320-01-093-6856 D533	U

(c) The Contractor shall comply with the requirements of DoD 5100.76-M, as specified in the statement of work. The edition of DoD 5100.76-M in effect on the date of issuance of the solicitation for this contract shall apply.

(d) The Contractor shall allow representatives of the Defense Security Service (DSS), and representatives of other appropriate offices of the Government, access at all reasonable times into its facilities and those of its subcontractors, for the purpose of performing surveys, inspections, and investigations necessary to review compliance with the physical security standards applicable to this contract.

(e) The Contractor shall notify the cognizant DSS field office of any subcontract involving AA&E within 10 days after award of the subcontract.

(f) The Contractor shall ensure that the requirements of this clause are included in all subcontracts, at every tier?

- (1) For the development, production, manufacture, or purchase of AA&E; or
- (2) When AA&E will be provided to the subcontractor as Government-furnished property.

(g) Nothing in this clause shall relieve the Contractor of its responsibility for complying with applicable Federal, state, and local laws, ordinances, codes, and regulations (including requirements for obtaining licenses and permits) in connection with the performance of this contract.

(End of clause)

I-84      52.219-28      POST-AWARD SMALL BUSINESS PROGRAM REREPRESENTATION      APR/2009

(a) Definitions. As used in this clause--

"Long-term contract" means a contract of more than five years in duration, including options. However, the term does not include contracts that exceed five years in duration because the period of performance has been extended for a cumulative period not to exceed six months under the clause at 52.217-8, Option to Extend Services, or other appropriate authority.

"Small business concern" means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR part 121 and the size standard in paragraph (c) of this clause. Such a concern is "not dominant in its field of operation" when it does not exercise a controlling or major influence on a national basis in a kind of business activity in which a number of business concerns are primarily engaged. In determining whether dominance exists, consideration shall be given to all appropriate factors, including volume of business, number of employees, financial resources, competitive status or position, ownership or control of materials, processes, patents, license agreements, facilities, sales territory, and nature of business activity.

(b) If the Contractor represented that it was a small business concern prior to award of this contract, the Contractor shall rerepresent

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its size status according to paragraph (e) of this clause or, if applicable, paragraph (g) of this clause, upon the occurrence of any of the following:

- (1) Within 30 days after execution of a novation agreement or within 30 days after modification of the contract to include this clause, if the novation agreement was executed prior to inclusion of this clause in the contract.
- (2) Within 30 days after a merger or acquisition that does not require a novation or within 30 days after modification of the contract to include this clause, if the merger or acquisition occurred prior to inclusion of this clause in the contract.
- (3) For long-term contracts
  - (i) Within 60 to 120 days prior to the end of the fifth year of the contract; and
  - (ii) Within 60 to 120 days prior to the date specified in the contract for exercising any option thereafter.
- (c) The Contractor shall rerepresent its size status in accordance with the size standard in effect at the time of this rerepresentation that corresponds to the North American Industry Classification System (NAICS) code assigned to this contract. The small business size standard corresponding to this NAICS code can be found at <http://www.sba.gov/services/contractingopportunities/sizestandardstopics/> .
- (d) The small business size standard for a Contractor providing a product which it does not manufacture itself, for a contract other than a construction or service contract, is 500 employees.
- (e) Except as provided in paragraph (g) of this clause, the Contractor shall make the rerepresentation required by paragraph (b) of this clause by validating or updating all its representations in the Online Representations and Certifications Application and its data in the Central Contractor Registration, as necessary, to ensure that they reflect the Contractor's current status. The Contractor shall notify the contracting office in writing within the timeframes specified in paragraph (b) of this clause that the data have been validated or updated, and provide the date of the validation or update.
- (f) If the Contractor represented that it was other than a small business concern prior to award of this contract, the Contractor may, but is not required to, take the actions required by paragraphs (e) or (g) of this clause.
- (g) If the Contractor does not have representations and certifications in ORCA, or does not have a representation in ORCA for the NAICS code applicable to this contract, the Contractor is required to complete the following rerepresentation and submit it to the contracting office, along with the contract number and the date on which the rerepresentation was completed:

The Contractor represents that it [    ] is, [    ] is not a small business concern under NAICS Code \_\_\_\_\_ assigned to contract number \_\_\_\_\_. [Contractor to sign and date and insert authorized signer's name and title].

(End of clause)

I-85	52.222-39	NOTIFICATION OF EMPLOYEE RIGHTS CONCERNING PAYMENT OF UNION DUES OR FEES	DEC/2004
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(a) Definition. As used in this clause--

United States means the 50 States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, and Wake Island.

(b) Except as provided in paragraph (e) of this clause, during the term of this contract, the Contractor shall post a notice, in the form of a poster, informing employees of their rights concerning union membership and payment of union dues and fees, in conspicuous places in and about all its plants and offices, including all places where notices to employees are customarily posted. The notice shall include the following information (except that the information pertaining to National Labor Relations Board shall not be included in notices posted in the plants or offices of carriers subject to the Railway Labor Act, as amended (45 U.S.C. 151-188)).

Notice to Employees

Under Federal law, employees cannot be required to join a union or maintain membership in a union in order to retain their jobs. Under certain conditions, the law permits a union and an employer to enter into a union-security agreement requiring employees to pay uniform periodic dues and initiation fees. However, employees who are not union members can object to the use of their payments for



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certain purposes and can only be required to pay their share of union costs relating to collective bargaining, contract administration, and grievance adjustment.

If you do not want to pay that portion of dues or fees used to support activities not related to collective bargaining, contract administration, or grievance adjustment, you are entitled to an appropriate reduction in your payment. If you believe that you have been required to pay dues or fees used in part to support activities not related to collective bargaining, contract administration, or grievance adjustment, you may be entitled to a refund and to an appropriate reduction in future payments.

For further information concerning your rights, you may wish to contact the National Labor Relations Board (NLRB) either at one of its Regional offices or at the following address or toll free number:

National Labor Relations Board  
Division of Information  
1099 14th Street, N.W.  
Washington, DC 20570  
1-866-667-6572  
1-866-316-6572 (TTY)

To locate the nearest NLRB office, see NLRB's website at <http://www.nlr.gov>

(c) The Contractor shall comply with all provisions of Executive Order 13201 of February 17, 2001, and related implementing regulations at 29 CFR Part 470, and orders of the Secretary of Labor.

(d) In the event that the Contractor does not comply with any of the requirements set forth in paragraphs (b), (c), or (g), the Secretary may direct that this contract be cancelled, terminated, or suspended in whole or in part, and declare the Contractor ineligible for further Government contracts in accordance with procedures at 29 CFR part 470, Subpart B--Compliance Evaluations, Complaint Investigations and Enforcement Procedures. Such other sanctions or remedies may be imposed as are provided by 29 CFR Part 470, which implements Executive Order 13201, or as are otherwise provided by law.

(e) The requirement to post the employee notice in paragraph (b) does not apply to--

(1) Contractors and subcontractors that employ fewer than 15 persons;

(2) Contractor establishments or construction work sites where no union has been formally recognized by the Contractor or certified as the exclusive bargaining representative of the Contractor's employees;

(3) Contractor establishments or construction work sites located in a jurisdiction named in the definition of the United States in which the law of that jurisdiction forbids enforcement of union-security agreements;

(4) Contractor facilities where upon the written request of the Contractor, the Department of Labor Deputy Assistant Secretary for Labor-Management Programs has waived the posting requirements with respect to any of the Contractor's facilities if the Deputy Assistant Secretary finds that the Contractor has demonstrated that--

(i) The facility is in all respects separate and distinct from activities of the Contractor related to the performance of a contract; and

(ii) Such a waiver will not interfere with or impede the effectuation of the Executive order; or

(5) Work outside the United States that does not involve the recruitment or employment of workers within the United States.

(f) The Department of Labor publishes the official employee notice in two variations; one for contractors covered by the Railway Labor Act and a second for all other contractors. The Contractor shall--

(1) Obtain the required employee notice poster from the Division of Interpretations and Standards, Office of Labor-Management Standards, U.S. Department of Labor, 200 Constitution Avenue, NW, Room N-5605, Washington, DC 20210, or from any field office of the Department's Office of Labor-Management Standards or Office of Federal Contract Compliance Programs;

(2) Download a copy of the poster from the Office of Labor-Management Standards website at <http://www.olms.dol.gov>; or

(3) Reproduce and use exact duplicate copies of the Department of Labor's official poster.

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(g) The Contractor shall include the substance of this clause in every subcontract or purchase order that exceeds the simplified acquisition threshold, entered into in connection with this contract, unless exempted by the Department of Labor Deputy Assistant Secretary for Labor-Management Programs on account of special circumstances in the national interest under authority of 29 CFR 470.3(c). For indefinite quantity subcontracts, the Contractor shall include the substance of this clause if the value of orders in any calendar year of the subcontract is expected to exceed the simplified acquisition threshold. Pursuant to 29 CFR Part 470, Subpart B--Compliance Evaluations, Complaint Investigations and Enforcement Procedures, the Secretary of Labor may direct the Contractor to take such action in the enforcement of these regulations, including the imposition of sanctions for noncompliance with respect to any such subcontract or purchase order. If the Contractor becomes involved in litigation with a subcontractor or vendor, or is threatened with such involvement, as a result of such direction, the Contractor may request the United States, through the Secretary of Labor, to enter into such litigation to protect the interests of the United States.

(End of Clause)

I-86                      52.245-1                      GOVERNMENT PROPERTY (DEVIATION -- DARS TRACKING # 2007-00012)                      JUN/2007  
(a) Definitions. As used in this clause

Acquisition cost means the cost to acquire a tangible capital asset including the purchase price of the asset and costs necessary to prepare the asset for use. Costs necessary to prepare the asset for use include the cost of placing the asset in location and bringing the asset to a condition necessary for normal or expected use.

Cannibalize means to remove serviceable parts from one item of equipment in order to install them on another item of equipment.

Contractor-acquired property means property acquired, fabricated, or otherwise provided by the Contractor for performing a contract, and to which the Government has title.

Contractor inventory means

(1) Any property acquired by and in the possession of a Contractor or subcontractor under a contract for which title is vested in the Government and which exceeds the amounts needed to complete full performance under the entire contract;

(2) Any property that the Government is obligated or has the option to take over under any type of contract, e.g., as a result either of any changes in the specifications or plans thereunder or of the termination of the contract (or subcontract thereunder), before completion of the work, for the convenience or at the option of the Government; and

(3) Government-furnished property that exceeds the amounts needed to complete full performance under the entire contract.

Contractor's managerial personnel means the Contractor's directors, officers, managers, superintendents, or equivalent representatives who have supervision or direction of

(1) All or substantially all of the Contractor's business;

(2) All or substantially all of the Contractor's operation at any one plant or separate location; or

(3) A separate and complete major industrial operation.

Demilitarization means rendering a product unusable for, and not restorable to, the purpose for which it was designed or is customarily used.

Discrepancies incident to shipment means any differences (e.g., count or condition) between the items documented to have been shipped and items actually received.

Equipment means a tangible asset that is functionally complete for its intended purpose, durable, nonexpendable, and needed for the performance of a contract. Equipment is not intended for sale, and does not ordinarily lose its identity or become a component part of another article when put into use.

Government-furnished property means property in the possession of, or directly acquired by, the Government and subsequently furnished to the Contractor for performance of a contract.

Government property means all property owned or leased by the Government. Government property includes both Government-furnished and Contractor-acquired property.

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Material means property that may be consumed or expended during the performance of a contract, component parts of a higher assembly, or items that lose their individual identity through incorporation into an end-item. Material does not include equipment, special tooling and special test equipment.

Nonseverable means property that cannot be removed after construction or installation without substantial loss of value or damage to the installed property or to the premises where installed.

Precious metals means silver, gold, platinum, palladium, iridium, osmium, rhodium, and ruthenium.

Property means all tangible property, both real and personal.

Property Administrator means an authorized representative of the Contracting Officer appointed in accordance with agency procedures, responsible for administering the contract requirements and obligations relating to Government property in the possession of a Contractor.

Provide means to furnish, as in Government-furnished property, or to acquire, as in contractor-acquired property.

Real property means land and rights in land, ground improvements, utility distribution systems, and buildings and other structures. It does not include foundations and other work necessary for installing personal property.

Sensitive property means property potentially dangerous to the public safety or security if stolen, lost, or misplaced, or that shall be subject to exceptional physical security, protection, control, and accountability. Examples include weapons, ammunition, explosives, controlled substances, radioactive materials, hazardous materials or wastes, or precious metals.

Surplus property means excess personal property not required by any Federal agency as determined by the Administrator of the General Services Administration (GSA).

(b) Property management.

(1) The Contractor shall have a system to manage (control, use, preserve, protect, repair and maintain) Government property in its possession. The system shall be adequate to satisfy the requirements of this clause. In doing so, the Contractor shall initiate and maintain the processes, systems, procedures, records, and methodologies necessary for effective control of Government property, consistent with voluntary consensus standards and/or industry-leading practices and standards for Government property management except where inconsistent with law or regulation. During the period of performance, the Contractor shall disclose any significant changes to their property management system to the Property Administrator prior to implementation.

(2) The Contractor's responsibility extends from the initial acquisition and receipt of property, through stewardship, custody, and use until formally relieved of responsibility by authorized means, including delivery, consumption, expending, disposition, or via a completed investigation, evaluation, and final determination for lost, damaged, destroyed, or stolen property. This requirement applies to all Government property under the Contractor's accountability, stewardship, possession or control, including its vendors or subcontractors (see paragraph (f)(1)(v) of this clause).

(3) The Contractor shall include the requirements of this clause in all subcontracts under which Government property is acquired or furnished for subcontract performance.

(c) Use of Government property. The Contractor shall use Government property, either furnished or acquired under this contract, only for performing this contract, unless otherwise provided for in this contract or approved by the Contracting Officer. The Contractor shall not modify, cannibalize, or make alterations to Government property unless this contract specifically identifies the modifications, alterations or improvements as work to be performed.

(d) Government-furnished property.

(1) The Government shall deliver to the Contractor the Government-furnished property described in this contract. The Government shall furnish related data and information needed for the intended use of the property. The warranties of suitability of use and timely delivery of Government-furnished property do not apply to property acquired or fabricated by the Contractor as contractor-acquired property and subsequently transferred to another contract with this Contractor.

(2) The delivery and/or performance dates specified in this contract are based upon the expectation that the Government-furnished property will be suitable for contract performance and will be delivered to the Contractor by the dates stated in the contract.

(i) If the property is not delivered to the Contractor by the dates stated in the contract, the Contracting Officer shall, upon the Contractor's timely written request, consider an equitable adjustment to the contract.

(ii) In the event property is received by the Contractor, or for Government-furnished property after receipt and installation, in a condition not suitable for its intended use, the Contracting Officer shall, upon the Contractor's timely written request, advise the

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Contractor on a course of action to remedy the problem. Such action may include repairing, replacing, modifying, returning, or otherwise disposing of the property at the Government's expense. Upon completion of the required action(s), the Contracting Officer shall consider an equitable adjustment to the contract (see also paragraph (f)(1)(ii)(A) of this clause).

(iii) The Government may, at its option, furnish property in an as-is condition. The Contractor will be given the opportunity to inspect such property prior to the property being provided. In such cases, the Government makes no warranty with respect to the serviceability and/or suitability of the property for contract performance. Any repairs, replacement, and/or refurbishment shall be at the Contractor's expense.

(3)(i) The Contracting Officer may by written notice, at any time

- (A) Increase or decrease the amount of Government-furnished property under this contract;
- (B) Substitute other Government-furnished property for the property previously furnished, to be furnished, or to be acquired by the Contractor for the Government under this contract; or
- (C) Withdraw authority to use property.

(ii) Upon completion of any action(s) under paragraph (d)(3)(i) of this clause, and the Contractor's timely written request, the Contracting Officer shall consider an equitable adjustment to the contract.

(e) Title to Government property.

(1) The Government shall retain title to all Government-furnished property. Title to Government property shall not be affected by its incorporation into or attachment to any property not owned by the Government, nor shall Government property become a fixture or lose its identity as personal property by being attached to any real property.

(2) Fixed-price contracts.

(i) All Government-furnished property and all property acquired by the Contractor, title to which vests in the Government under this paragraph (collectively referred to as Government property), are subject to the provisions of this clause.

(ii) Title to each item of equipment, special test equipment and special tooling acquired by the Contractor for the Government under this contract shall pass to and vest in the Government when its use in performing this contract commences or when the Government has paid for it, whichever is earlier, whether or not title previously vested in the Government.

(iii) If this contract contains a provision directing the Contractor to purchase material for which the Government will reimburse the Contractor as a direct item of cost under this contract

- (A) Title to material purchased from a vendor shall pass to and vest in the Government upon the vendor's delivery of such material; and
- (B) Title to all other material shall pass to and vest in the Government upon
  - (1) Issuance of the material for use in contract performance;
  - (2) Commencement of processing of the material or its use in contract performance; or
  - (3) Reimbursement of the cost of the material by the Government, whichever occurs first.

(3) Title under Cost-Reimbursement or Time-and-Material Contracts or Cost-Reimbursable contract line items under Fixed-Price contracts.

(i) Title to all property purchased by the Contractor for which the Contractor is entitled to be reimbursed as a direct item of cost under this contract shall pass to and vest in the Government upon the vendor's delivery of such property.

- (ii) Title to all other property, the cost of which is reimbursable to the Contractor, shall pass to and vest in the Government upon
  - (A) Issuance of the property for use in contract performance;
  - (B) Commencement of processing of the property for use in contract performance; or
  - (C) Reimbursement of the cost of the property by the Government, whichever occurs first.

(iii) All Government-furnished property and all property acquired by the Contractor, title to which vests in the Government under

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this paragraph (e)(3)(iii) (collectively referred to as Government property), are subject to the provisions of this clause.

(f) Contractor plans and systems.

(1) Contractors shall establish and implement property management plans, systems, and procedures at the contract, program, site or entity level to enable the following outcomes:

(i) Acquisition of Property. The Contractor shall document that all property was acquired consistent with its engineering, production planning, and material control operations.

(ii) Receipt of Government Property. The Contractor shall receive Government property (document the receipt), record the information necessary to meet the record requirements of paragraph (f)(1)(iii)(A)(1) through (5) of this clause, identify as Government owned in a manner appropriate to the type of property (e.g., stamp, tag, mark, or other identification), and manage any discrepancies incident to shipment.

(A) Government-furnished property. The Contractor shall furnish a written statement to the Property Administrator containing all relevant facts, such as cause or condition and a recommended course(s) of action, if overages, shortages, or damages and/or other discrepancies are discovered upon receipt of Government-furnished property.

(B) Contractor-acquired property. The Contractor shall take all actions necessary to adjust for overages, shortages, damage and/or other discrepancies discovered upon receipt, in shipment of Contractor-acquired property from a vendor or supplier, so as to ensure the proper allocability and allowability of associated costs.

(iii) Records of Government property. The Contractor shall create and maintain records of all Government property accountable to the contract, including Government-furnished and Contractor-acquired property.

(A) Property records shall enable a complete, current, auditable record of all transactions and shall, unless otherwise approved by the Property Administrator, contain the following:

(1) The name, part number and description, manufacturer, model number, and National Stock Number (if needed for additional item identification tracking and/or disposition).

(2) Quantity received (or fabricated), issued, and balance-on-hand.

(3) Unit acquisition cost.

(4) Unique-item identifier or equivalent (if available and necessary for individual item tracking).

(5) Unit of measure.

(6) Accountable contract number or equivalent code designation.

(7) Location.

(8) Disposition.

(9) Posting reference and date of transaction.

(10) Date placed in service.

(B) Use of a Receipt and Issue System for Government Material. When approved by the Property Administrator, the Contractor may maintain, in lieu of formal property records, a file of appropriately cross-referenced documents evidencing receipt, issue, and use of material that is issued for immediate consumption.

(iv) Physical inventory. The Contractor shall periodically perform, record, and disclose physical inventory results. A final physical inventory shall be performed upon contract completion or termination. The Property Administrator may waive this final inventory requirement, depending on the circumstances (e.g., overall reliability of the Contractor's system or the property is to be transferred to a follow-on contract).

(v) Subcontractor control.

(A) The Contractor shall award subcontracts that clearly identify assets to be provided and shall ensure appropriate flow down of contract terms and conditions (e.g., extent of liability for loss, damage, destruction or theft of Government property).

(B) The Contractor shall assure its subcontracts are properly administered and reviews are periodically performed to determine the

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adequacy of the subcontractor's property management system.

(vi) Reports. The Contractor shall have a process to create and provide reports of discrepancies; loss, damage, destruction, or theft; physical inventory results; audits and self-assessments; corrective actions; and other property related reports as directed by the Contracting Officer.

(A) Loss, damage, destruction, or theft. Unless otherwise directed by the Property Administrator, the Contractor shall investigate and promptly furnish a written narrative of all incidents of loss, damage, destruction, or theft to the property administrator as soon as the facts become known or when requested by the Government.

- (B) Such reports shall, at a minimum, contain the following information:
- (1) Date of incident (if known).
  - (2) The name, commercial description, manufacturer, model number, and National Stock Number (if applicable).
  - (3) Quantity.
  - (4) Unique Item Identifier (if available).
  - (5) Accountable Contract number.
  - (6) A statement indicating current or future need.
  - (7) Acquisition cost, or if applicable, estimated scrap proceeds, estimated repair or replacement costs.
  - (8) All known interests in commingled property of which the Government property is a part.
  - (9) Cause and corrective action taken or to be taken to prevent recurrence.
  - (10) A statement that the Government will receive any reimbursement covering the loss, damage, destruction, or theft, in the event the Contractor was or will be reimbursed or compensated.
  - (11) Copies of all supporting documentation.
  - (12) Last known location.
  - (13) A statement that the property did or did not contain sensitive or hazardous material, and if so, that the appropriate agencies were notified.

(vii) Relief of stewardship responsibility. Unless the contract provides otherwise, the Contractor shall be relieved of stewardship responsibility for Government property when such property is

(A) Consumed or expended, reasonably and properly, or otherwise accounted for, in the performance of the contract, including reasonable inventory adjustments of material as determined by the Property Administrator; or a Property Administrator granted relief of responsibility for loss, damage, destruction or theft of Government property;

(B) Delivered or shipped from the Contractor's plant, under Government instructions, except when shipment is to a subcontractor or other location of the Contractor; or

(C) Disposed of in accordance with paragraphs (j) and (k) of this clause.

(viii) Utilizing Government property.

(A) The Contractor shall utilize, consume, move, and store Government Property only as authorized under this contract. The Contractor shall promptly disclose and report Government property in its possession that is excess to contract performance.

(B) Unless otherwise authorized in this contract or by the Property Administrator the Contractor shall not commingle Government property with property not owned by the Government.

(ix) Maintenance. The Contractor shall properly maintain Government property. The Contractor's maintenance program shall enable the identification, disclosure, and performance of normal and routine preventative maintenance and repair. The Contractor shall disclose and report to the Property Administrator the need for replacement and/or capital rehabilitation.

(x) Property closeout. The Contractor shall promptly perform and report to the Property Administrator contract property closeout, to

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include reporting, investigating and securing closure of all loss, damage, destruction, or theft cases; physically inventorying all property upon termination or completion of this contract; and disposing of items at the time they are determined to be excess to contractual needs.

(2) The Contractor shall establish and maintain Government accounting source data, as may be required by this contract, particularly in the areas of recognition of acquisitions and dispositions of material and equipment.

(3) The Contractor shall establish and maintain procedures necessary to assess its property management system effectiveness, and shall perform periodic internal reviews and audits. Significant findings and/or results of such reviews and audits pertaining to Government property shall be made available to the Property Administrator.

(g) Systems analysis.

(1) The Government shall have access to the contractor's premises and all Government property, at reasonable times, for the purposes of reviewing, inspecting and evaluating the Contractor's property management plan, systems, procedures, records, and supporting documentation that pertains to Government property.

(2) Records of Government property shall be readily available to authorized Government personnel and shall be safeguarded from tampering or destruction.

(3) Should it be determined by the Government that the Contractor's property management practices are inadequate or not acceptable for the effective management and/or control of Government property under this contract, and/or present an undue risk to the Government, the Contractor shall immediately take all necessary corrective actions as directed by the Property Administrator.

(4) The Contractor shall ensure Government access to subcontractor premises, and all Government property located at subcontractor premises, for the purposes of reviewing, inspecting and evaluating the subcontractor's property management plan, systems, procedures, records, and supporting documentation that pertains to Government property.

(h) Contractor Liability for Government Property.

(1) Unless otherwise provided for in the contract, the Contractor shall not be liable for loss, damage, destruction, or theft to the Government property furnished or acquired under this contract, except when any one of the following applies

(i) The risk is covered by insurance or the Contractor is otherwise reimbursed (to the extent of such insurance or reimbursement). The allowability of insurance costs shall be determined in accordance with 31.205-19.

(ii) The loss, damage, destruction, or theft is the result of willful misconduct or lack of good faith on the part of the Contractor's managerial personnel. Contractor's managerial personnel, in this clause, means the Contractor's directors, officers, managers, superintendents, or equivalent representatives who have supervision or direction of all or substantially all of the Contractor's business; all or substantially all of the Contractor's operation at any one plant or separate location; or a separate and complete major industrial operation.

(iii) The Contracting Officer has, in writing, revoked the Government's assumption of risk for loss, damage, destruction, or theft, due to a determination under paragraph (g) of this clause that the Contractor's property management practices are inadequate, and/or present an undue risk to the Government, and the Contractor failed to take timely corrective action. If the Contractor can establish by clear and convincing evidence that the loss, damage, destruction, or theft of Government property occurred while the Contractor had adequate property management practices or the loss, damage, destruction, or theft of Government property did not result from the Contractor's failure to maintain adequate property management practices, the Contractor shall not be held liable.

(2) The Contractor shall take all reasonable actions necessary to protect the Government property from further loss, damage, destruction, or theft. The Contractor shall separate the damaged and undamaged Government property, place all the affected Government property in the best possible order, and take such other action as the Property Administrator directs.

(3) The Contractor shall do nothing to prejudice the Government's rights to recover against third parties for any loss, damage, destruction, or theft of Government property.

(4) Upon the request of the Contracting Officer, the Contractor shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation, including the prosecution of suit and the execution of instruments of assignment in favor of the Government in obtaining recovery.

(i) Equitable adjustment. Equitable adjustments under this clause shall be made in accordance with the procedures of the Changes clause. The right to an equitable adjustment shall be the Contractor's exclusive remedy and the Government shall not be liable to suit for breach of contract for the following:

(1) Any delay in delivery of Government-furnished property.

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- (2) Delivery of Government-furnished property in a condition not suitable for its intended use.
- (3) An increase, decrease, or substitution of Government-furnished property.
- (4) Failure to repair or replace Government property for which the Government is responsible.
- (j) Contractor inventory disposal. Except as otherwise provided for in this contract, the Contractor shall not dispose of Contractor inventory until authorized to do so by the Plant Clearance Officer.
- (1) Scrap to which the Government has obtained title under paragraph (e) of this clause.
  - (i) Contractor with an approved scrap procedure.
    - (A) The Contractor may dispose of scrap resulting from production or testing under this contract without Government approval. However, if the scrap requires demilitarization or is sensitive property, the Contractor shall submit the scrap on an inventory disposal schedule.
    - (B) For scrap from other than production or testing the Contractor may prepare scrap lists in lieu of inventory disposal schedules (provided such lists are consistent with the approved scrap procedures), except that inventory disposal schedules shall be submitted for scrap aircraft or aircraft parts and scrap that
      - (1) Requires demilitarization;
      - (2) Is a classified item;
      - (3) Is generated from classified items;
      - (4) Contains hazardous materials or hazardous wastes;
      - (5) Contains precious metals; or
      - (6) Is dangerous to the public health, safety, or welfare.
    - (ii) Contractor without an approved scrap procedure. The Contractor shall submit an inventory disposal schedule for all scrap. The Contractor may not dispose of scrap resulting from production or testing under this contract without Government approval.
  - (2) Predisposal requirements.
    - (i) Once the Contractor determines that Contractor-acquired property is no longer needed for contract performance, the Contractor in the following order of priority
      - (A) May contact the Contracting Officer if use of the property in the performance of other Government contracts is practical;
      - (B) May purchase the property at the acquisition cost; or
      - (C) Shall make reasonable efforts to return unused property to the appropriate supplier at fair market value (less, if applicable, a reasonable restocking fee that is consistent with the supplier's customary practices).
    - (ii) The Contractor shall list, on Standard Form 1428, Inventory Disposal Schedule, property that was not used in the performance of other Government contracts under paragraph (j)(2)(i)(A) of this clause, property that was not purchased under paragraph (j)(2)(i)(B) of this clause, and property that could not be returned to a supplier under paragraph (j)(2)(i)(C) of this clause.
  - (3) Inventory disposal schedules.
    - (i) The Contractor shall use Standard Form 1428, Inventory Disposal Schedule, to identify
      - (A) Government-furnished property that is no longer required for performance of this contract, provided the terms of another Government contract do not require the Government to furnish that property for performance of this contract;
      - (B) Contractor-acquired property, to which the Government has obtained title under paragraph (e) of this clause, which is no longer required for performance of that contract; and
      - (C) Termination inventory.



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(ii) The Contractor may annotate inventory disposal schedules to identify property the Contractor wishes to purchase from the Government.

(iii) Unless the Plant Clearance Officer has agreed otherwise, or the contract requires electronic submission of inventory disposal schedules, the Contractor shall prepare separate inventory disposal schedules for

- (A) Special test equipment with commercial components;
- (B) Special test equipment without commercial components;
- (C) Printing equipment;
- (D) Information technology (e.g., computers, computer components, peripheral equipment, and related equipment);
- (E) Precious metals;
- (F) Mononuclear hazardous materials or hazardous wastes; or
- (G) Nuclear materials or nuclear wastes.

(iv) The Contractor shall describe the property in sufficient detail to permit an understanding of its intended use. Property with the same description, condition code, and reporting location may be grouped in a single line item.

(4) Submission requirements. The Contractor shall submit inventory disposal schedules to the Plant Clearance Officer no later than

(i) 30-days following the Contractor's determination that a Government property item is no longer required for performance of this contract;

(ii) 60 days, or such longer period as may be approved by the Plant Clearance Officer, following completion of contract deliveries or performance; or

(iii) 120 days, or such longer period as may be approved by the Termination Contracting Officer following contract termination in whole or in part.

(5) Corrections. The Plant Clearance Officer may

- (i) Reject a schedule for cause (e.g., contains errors, determined to be inaccurate); and
- (ii) Require the Contractor to correct an inventory disposal schedule.

(6) Postsubmission adjustments. The Contractor shall notify the Plant Clearance Officer at least 10 working days in advance of its intent to remove an item from an approved inventory disposal schedule. Upon approval of the Plant Clearance Officer, or upon expiration of the notice period, the Contractor may make the necessary adjustments to the inventory schedule.

(7) Storage.

(i) The Contractor shall store the property identified on an inventory disposal schedule pending receipt of disposal instructions. The Government's failure to furnish disposal instructions within 120 days following acceptance of an inventory disposal schedule may entitle the Contractor to an equitable adjustment for costs incurred to store such property on or after the 121st day.

(ii) The Contractor shall obtain the Plant Clearance Officer's approval to remove Government property from the premises where the property is currently located prior to receipt of final disposition instructions. If approval is granted, any costs incurred by the Contractor to transport or store the property shall not increase the price or fee of any Government contract. The storage facility shall be appropriate for assuring the property's physical safety and suitability for use. Approval does not relieve the Contractor of any liability for such property under this contract.

(8) Disposition instructions.

(i) If the Government does not furnish disposition instructions to the Contractor within 45 days following acceptance of a scrap list, the Contractor may dispose of the listed scrap in accordance with the Contractor's approved scrap procedures.

(ii) The Contractor shall prepare for shipment, deliver f.o.b. origin, or dispose of Contractor inventory as directed by the Plant Clearance Officer. If not returned to the Government, the Contractor shall remove and destroy any markings identifying the property as U.S. Government-owned property prior to its disposal.

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(iii) The Contracting Officer may require the Contractor to demilitarize the property prior to shipment or disposal. In such cases, the Contractor may be entitled to an equitable adjustment under paragraph (i) of this clause.

(9) Disposal proceeds. As directed by the Contracting Officer, the Contractor shall credit the net proceeds from the disposal of Contractor inventory to the contract, or to the Treasury of the United States as miscellaneous receipts.

(10) Subcontractor inventory disposal schedules. The Contractor shall require its Subcontractors to submit inventory disposal schedules to the Contractor in accordance with the requirements of paragraph (j)(4) of this clause.

(k) Abandonment of Government property.

(1) The Government shall not abandon sensitive Government property or termination inventory without the Contractor's written consent.

(2) The Government, upon notice to the Contractor, may abandon any nonsensitive Government property in place, at which time all obligations of the Government regarding such property shall cease.

(3) The Government has no obligation to restore or rehabilitate the Contractor's premises under any circumstances; however, if Government-furnished property is withdrawn or is unsuitable for the intended use, or if other Government property is substituted, then the equitable adjustment under paragraph (i) of this clause may properly include restoration or rehabilitation costs.

(1) Communication. All communications under this clause shall be in writing.

(m) Contracts outside the United States. If this contract is to be performed outside of the United States and its outlying areas, the words Government and Government-furnished (wherever they appear in this clause) shall be construed as United States Government and United States Government-furnished, respectively.

(End of clause)

I-87      52.252-2      CLAUSES INCORPORATED BY REFERENCE      FEB/1998

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address:

<http://www.arnet.gov/far/> or <http://www.acq.osd.mil/dpap/dars/index.htm> or <https://webportal.saalt.army.mil/saal-zp/procurement/afars.doc>

(End of Clause)

I-88      52.252-6      AUTHORIZED DEVIATIONS IN CLAUSES      APR/1984

(a) The use in this solicitation or contract of any Federal Acquisition Regulation (48 CFR Chapter 1) clause with an authorized deviation is indicated by the addition of (DEVIATION) after the date of the clause.

(b) The use in this solicitation or contract of any DoD FAR SUPPLEMENT (48 CFR 2) clause with an authorized deviation is indicated by the addition of (DEVIATION) after the name of the regulation.

(End of Clause)

I-89      52.201-4500      AUTHORITY OF GOVERNMENT REPRESENTATIVE  
LOCAL      FEB/1993

The Contractor is advised that contract changes, such as engineering changes, will be authorized only by the Contracting Officer or his representative in accordance with the terms of the contract. No other Government representative, whether in the act of technical supervision or administration, is authorized to make any commitment to the Contractor or to instruct the Contractor to perform or terminate any work, or to incur any obligation. Project Engineers, Technical Supervisors and other groups are not authorized to make or otherwise direct changes which in any way affect the contractual relationship of the Government and the Contractor.

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(End of clause)

(IS7025)

I-90      52.247-4544      TRANSPORTATION CONTAINERIZATION  
(RICC)

SEP/2007

If production quantities require containerization for shipment to destination the following will apply

(a) Containerization of shipments will be accomplished utilizing only 20 foot long American National Standards Institute/International Organization for Standardization (AMSI/ISO) freight containers, and/or 20 foot MILVANS which bear, in addition to a manufacturer's data plate, a CONVENTION FOR SAFE CONTAINERS (CSC) SAFETY APPROVAL PLATE. Shipment is to be placed in a serviceable, ammunition-grade container IAW with the latest revision of "Mil-Handbook 138-B" and "IMDG Ammunition Grade Guidance 7.4.6".

(b) The contractor will be liable to the Government for any loss or damage resulting from improper source stuffing, utilization of containers, or failure to comply with the containerization requirements of the contract. The contractor will also be liable for any additional costs accrued due to use of other than 20 foot long ANSI/ISO freight containers, and/or 20 foot MILVANS.

(End of clause)

(IS7011)

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SECTION J - LIST OF ATTACHMENTS

<u>List of</u> <u>Addenda</u>	<u>Title</u>	<u>Date</u>	<u>Number</u> <u>of Pages</u>	<u>Transmitted By</u>
Attachment 0001	EXPLO PRICING SPREADSHEET	21-JAN-2010	001	
Attachment 0002	ASSET LISTING		008	
Attachment 0003	TDP		002	
Attachment 0004	EXPLO PROPOSAL	21-JAN-2010		